Central States, Southeast and Southwest Areas Pension Plan
Item #19

Does the application include the information required by section 5.02.

The information concerning contribution levels (section 5.02(1)(a)) is attached as document number 19.1.

The information concerning levels of benefit accruals, including any prior reductions in the rate of benefit accruals (section 5.02(1)(b)) is attached as document number 19.2.

The information concerning prior reductions, if any, of adjustable benefits under § 432(e)(8) (section 5.02(1)(c)) is attached as document number 19.3.

The information concerning any prior suspension of benefits under § 432(e)(9) (section 5.02(1)(d)) is attached as document number 19.4.

The information concerning measures undertaken by the plan sponsor to retain or attract contributing employers (section 5.02(1)(e)) is attached as document number 19.5.

The information concerning the impact on plan solvency of the subsidies and ancillary benefits, if any, available to active participants (section 5.02(2)) is attached as document number 19.6.

The information concerning compensation levels of active participants relative to employees in the participants' industry generally (section 5.02(3)) is attached as document number 19.7.

The information concerning competitive and other economic factors facing contributing employers (section 5.02(4)) is attached as document number 19.8.

Checklist No. 19 / Rev. Proc § 5.02(1)(a):

Application Under ERISA Section 305(e)(9)(C)(i) and IRC Section 432(e)(9)(C)(i) for the Central States, Southeast and Southwest Areas Pension Plan – Additional Information

EIN 36-6044243/PN 001

EXHIBIT I

Past Experience for Critical Assumptions (Dollar Amounts, Other Than Contribution Rates, in Thousands)

Year	Total Contributions	Total Contribution Base Units (Weeks)	Average Weekly Contribution Rate	Withdrawal Liability Payments	Rate of Return on Plan Assets
2005	$1,279,175	7,943,640	$161.03	$82,833	10.30%
2006	1,358,334	7,722,988	175.88	47,343	14.50%
2007*	1,440,300	7,548,736	190.80	6,187,750	6.22%
2008*	849,544	4,828,876	175.93	88,358	-29.82%
2009**	588,569	3,687,164	159.63	86,584	27.49%
2010**	502,886	3,029,520	166.00	119,415	14.42%
2011**	545,533	3,369,263	161.91	173,227	-0.28%
2012	568,878	3,386,344	167.99	188,828	13.56%
2013	571,104	3,231,436	176.73	153,928	19.04%
2014	582,359	3,182,920	182.96	232,836	6.86%
Average Trend From 2005 to 2014		-9.7%	+1.4%		_%
Average Trend From 2011 to 2014		-1.9%	+4.2%		_%

*Reflects the withdrawal of UPS effective December 31, 2007.
**Reflects the cessation and resumption of contributions from YRCW.

Based on the total contribution base units for each year, as shown above, the average annual rate of decrease in total contribution base units during the 2005-2014 period is 9.7%. The average annual rate of decrease in total contribution base units during the period from 2011-2014 (following resumption of YRCW contributions) is 1.9%.

If the significant decline in total contribution base units due to the withdrawal of UPS as of December 31, 2007 were disregarded, the average annual rate of decrease in total contribution base units during the 2005-2014 period is 6.4% excluding UPS. If YRCW were also removed from the data, the average annual rate of decrease in total contribution base units for the period is 6.2%.

For 2007, UPS contributed $563.2 million for 2.3 million base units (average of $245 per week). Excluding UPS, the average contribution rate increase over the 2005-2014 period would be 2.5%, instead of 1.4%. If YRCW were also excluded, the average contribution rate increase over the 2005-2014 period would be 6.1%. YRCW contributed $288.1 million for 1.4 million base units (average of $204 per week) in 2005 and $52.1 million for 0.7 million base units (average of $70 per week) in 2014.

Checklist No. 19 / Rev. Proc. § 5.02(1)(b):

Levels of benefits accruals, including any prior reductions in the rate of benefit accruals.

The current rate of benefit accruals under the Central States Plan is 1% of contributions (1% of contributions made on behalf of a participant is added to the participant's monthly benefit upon retirement). This 1% accrual rate has been in effect since January 1, 2004. Prior to that time the accrual rate was 2%.

Checklist No. 19 / Rev. Proc. § 5.02(1)(c):

Prior reductions of adjustable benefits under the PPA (IRC § 432(e)(8)) and other measures to forestall insolvency under the Fund's rehabilitation plan.

1. The Pension Protection Act ("PPA") became effective in January 2008, and that statute provided the Trustee with additional tools to help address the Pension Fund's financial difficulties.

2. The Trustees have approved and annually updated a rehabilitation plan each year beginning with 2008, as required of all multiemployer pension funds certified to be in critical status under the PPA.

3. As authorized under the PPA [IRC § 432 (e)(8)], the Fund's rehabilitation plan has provided for the elimination of "adjustable benefits" (essentially any benefits *other than* those already in pay status prior to 2008, disability benefits in pay status at any time, and the accrued benefits (*i.e.*, Contribution-Based Pensions) payable at age 65). The following events trigger a loss of adjustable benefits under the rehabilitation plan:

a) application of the rehabilitation plan's Default Schedule;

b) application of the rehabilitation plan's Distressed Employer Schedule; and

c) application of the rehabilitation plan's Rehabilitation Plan Withdrawal rule (under which bargaining units that voluntarily withdraw from the Fund, or are complicit in a withdrawal, incur the elimination of all adjustable benefits).

4. The Fund's actuary advises that in total, as of December 31, 2014 adjustable benefits with an accumulated present value of approximately $1.64 billion (as reflected in the Fund's funding standard account) have been eliminated under these rehabilitation plan rules, including the elimination of the adjustable benefits attributable to the United Parcel Service, Inc. bargaining unit that withdrew from the Pension Fund at the end of 2007.

5. As noted above, in 2009, the Fund for the first time was certified to be in critical status under the PPA and was also projected to become insolvent in 2022.

6. As an additional part of the effort to forestall this projected insolvency, under a 2010 amendment to the rehabilitation plan, the Trustees approved a rule establishing age 57 as the minimum retirement age under the Plan, and this rule was made effective on June 1, 2011. Prior to this amendment, there were minimum service requirements for various types of pensions, and reductions in benefit amounts for pre-age 65 retirements for those who did not qualify for early retirement pension, but there was not a minimum retirement age.

7. In formulating the rehabilitation plan and in the process of annually updating that plan, the Trustees considered a more expansive rule that would have eliminated *all* the adjustable benefits of *all* active participants, but as noted above, determined that doing so would likely (a) cause many active participants to withdraw their support for the Plan, (b) increase Employer withdrawals, and (c) ultimately cause a more rapid deterioration of the Fund's financial condition and an acceleration of its projected insolvency.

8. In developing the proposed suspension plan, the Trustees have also considered the elimination of all PPA adjustable benefits accrued by terminated participants who have fewer than 20 years of Contributory Service Credit. However, even after the proposed plan of benefit suspension is given effect (so that the elimination of the terminated-participants' adjustable benefits has a longer time horizon in which to improve the Fund's overall financial condition, and the duration of the impact of the elimination of the benefits is not limited by a projected insolvency date), the Fund's actuary has advised that this measure, in conjunction with potential suspension plans would result in a reduction in the overall "caps" (or upper limits as a percentage reduction from current benefits entitlements) on suspensions that the Trustees have built into their proposed suspension plan of less than 1% of pre-suspension benefits. The Trustees have

determined that this amount of reduction in the maximum suspension for the general population of affected participants is not large enough to justify the elimination of all the PPA adjustable benefits of terminated participants who have less than 20 years of Service Credit.

Checklist No. 19 / Rev. Proc. § 5.02(1)(d):

Any prior suspensions under § 432(e)(9).

The Central States Pension Fund has had no prior suspension under § 432(e)(9).

Checklist #19 / Rev. Proc. § 5.02(1)(e):

Measures undertaken to retain or attract Contributing Employers.

1. One of the measures taken by the Trustees to retain Contributing Employers was to place "caps" on the contribution increases required under the rehabilitation plan. *See* Findings and Determinations, ¶¶ II.B. 5-6. That is, the caps were set on the basis of advice received from an expert financial consultant at a level judged to be reasonable in light of the Contributing Employer's financial condition. Therefore, the caps on contribution rate increases were designed to assure that Employers contribute to the Fund at a level that is as high as possible without creating unreasonable risks of increased employer attrition.

2. In addition, in October 2011, the PBGC approved an application submitted by the Fund for approval of the use of an alternative method of determining Employer withdrawal liability.

3. Under this alternative method, a current Contributing Employer can effectively limit its future exposure to withdrawal liability by paying liability in a lump sum and then continuing to contribute to the Fund as a "New Employer".

4. An Employer that is not currently contributing to the Fund, and does not owe any outstanding withdrawal liability or other obligations to the Fund, can also qualify as a New Employer and become eligible for the alternative withdrawal liability method.

5. Under this alternative (or "hybrid") method approved by the PBGC, the New Employers' withdrawal liability is to be determined based on the benefits accrued by each New Employer's employees, plus a proportionate share of any underfunding that develops among the New Employers as a whole (the "New Employer Pool"). However, because the New Employer Pool is fully funded (in fact it is approximately 200% funded), and current contribution rates are

more than sufficient to fund current benefits, the New Employers have a very low risk of incurring liability in the future.

6. The hybrid method helps to retain existing Employers and to attract new Contributing Employers because it offers a means of relieving concerns about potential growth in exposure to withdrawal liability. Further, the Fund will not enter an agreement resolving a Contributing Employer's withdrawal liability and deeming the Employer to be a New Employer under the hybrid method unless the Employer commits to continue to contribute to the Fund for an extended period (usually 5-10 years) and at a guaranteed level of participation.

7. Approximately 80 Employers have qualified as New Employers under the hybrid method to date and these Employers have paid approximately $130 million in withdrawal liability, while continuing to contribute to the Fund.

Checklist No. 19 / Rev. Proc. § 5.02(2):

Impact on the Fund's solvency of subsidized and ancillary benefits available to active participants.

1. The Fund has for some time offered benefits that include early retirement subsidies *e.g.*, "25-and-out" and "30-and-out" Contributory Service Credit Pensions.

2. As part of the benefit modification that became effective on January 1, 2004 (*see* Findings and Determinations ¶ III.C.), the Trustees have acted to limit the cost of subsidized early retirement benefits, but there are still retired Fund participants in pay status who are receiving some subsidized early retirement benefits.

3. The Fund's actuary has estimated that as of January 1, 2015 approximately 3% of the Fund's total actuarial accrued liability of $35.1 billion is comprised of subsidized early retirement benefits accrued by currently active participants.

4. Therefore, the impact on the Fund's solvency of subsidies and ancillary benefits accrued by currently active participants is relatively minor, compared to the more pronounced impact of the early retirement subsidized benefits that are currently being paid to participants who have already retired and are in pay status; the Fund's actuary estimates that as of January 1, 2015, the latter benefits comprised approximately 16% of the Fund's total actuarial accrued liability of $35.1 billion.

<u>Checklist No. 19 / Rev. Proc. § 5.02(3):</u>

<u>Compensation levels of active participants relative to employees in the participants' industries generally.</u>

1. A June 10, 2015 News Release by the Bureau of Labor Statistics ("BLS") entitled *Employer Costs for Employee Compensation* (p. 22) reports that in the unionized sector of the "service producing industries," which include transportation and warehousing -- industries in which a high percentage of the Fund's active participants are engaged -- an average of $4.23 per hour of total employee compensation (or 9% of total compensation) is absorbed by retirement benefits. On the other hand, this same BLS study indicates that the non-unionized sector of the service producing industries have retirement benefit costs of $0.93 per hour (3.2% of total compensation). Further, although the average union employee (across all industries) enjoys higher wages than comparable non-union workers, in recent years non-union wages have grown more rapidly than union wages. *See* George L. Long, "Differences Between Union and Non-Union Compensation," *Monthly Labor Review* (April 2013) (between 2001 and 2011 non-union wages grew at a rate of 28% faster than union wages). Based on this information, it appears likely that pension costs in the unionized sector of the economy as a whole are acting as a drag on wage growth in that sector.

2. The discrepancy between the unionized and non-unionized pension costs and the problems created by that discrepancy are even more pronounced in the case of the Central States Pension Fund. For example, the Fund currently has 4,000 active participants who are working under the NMFA (or under contracts that mirror the NMFA wage rates and benefits). Over the last ten years, pension contributions under the NMFA have increased by approximately 69%, (after inflation) while wages under that labor agreement have been relatively stagnant. As a result, today NMFA Employers pay an average of approximately $17,500 per year in pension contributions for each bargaining unit employee; yet the average annual wage paid to NMFA

employees is less than $50,000. This contrasts with the non-union trucking industry in which annual pension costs average between $1,000 and $3,000 per employee.

3. As indicated above, the retirement benefit costs in the unionized sector of the service industries generally are significantly higher than in the non-unionized sector of those industries ($4.23 per hour for unionized retirement benefits, as opposed to $0.93 for non-unionized). Moreover, as is also discussed above, this discrepancy is even more pronounced in the case of the Fund: Fund participants working under the NMFA have pension contributions made on their behalf at the rate of approximately $10 per hour, which on average is more than 20% of their total compensation.

4. his large allotment of total compensation to retiree benefits naturally tends to suppress wage growth for the Fund's participants, thus intensifying for them the impact of the general trend discussed above towards more rapid wage growth among non-unionized workers than unionized workers.

5. At the same time that the Fund participants were being asked to sacrifice larger portions of their total compensation to fund pension contributions, they were experiencing reductions in the amount of pension benefit accruals they could expect to yield for every dollar contributed on their behalf. This decline in the participants' benefit accruals on a per contribution dollar basis was due to the reduction (from 2% to 1%) in their accrual rates, and the other benefit modifications that the Trustees instituted in 2004.

6. Due to these trends and the desire of many workers to augment their wages rather than to see increasing amounts of their total compensation dedicated to pension contributions particularly when approximately $0.50 of each dollar contributed to the Fund must be dedicated to paying unfunded pension obligations, the Trustees have determined (based on their experience with current trends in hiring and the preferences of the various bargaining units that participate in

the Fund) that mandatory additional contribution rate increases beyond those already scheduled and the increases incorporated into the proposed suspension plan would be likely to (a) cause a net decline in support for the Fund among active participants and (b) to make it more difficult for Contributing Employers to attract and retain qualified employees. These consequences, in turn, will lead to more Employer withdrawals and to a decline in contribution revenue for the Fund.

Checklist No. 19 / Rev. Proc. § 5.02(4):

Competitive and other factors facing Contributing Employers.

1. As part of the 2010 rehabilitation plan update process, in September 2010 the Central States Pension Fund engaged Stout Risius and Ross ("SRR"), a consulting firm with business valuation expertise, to study the ability of the Fund's Contributing Employers to continue to absorb contribution rate increases. In November 2010, SRR reported to the Trustees that a number of the Fund's larger, publicly traded Employers -- whose pension contribution rates already were (or soon would be) at $342 per week under the National Master Freight Agreement ("NMFA") and $348 per week under the National Master Auto Transporter's Agreement ("NMATA") -- could not reasonably be expected to absorb additional contribution rate increases; accordingly, in November 2010, the Trustees approved an amendment to the rehabilitation plan that froze the top NMFA and NMATA rates indicated above. For other Employers, the $342 per week rate became the maximum rate necessary to be in compliance with the Primary Schedule without the need for additional rate increases. A copy of the SRR report from 2010 is attached as Tab A.

2. On average, since 2010, approximately 8,200 active participants of the Fund have worked under the NMFA or NMATA (or agreements that follow the pension's rates established under those agreements) or approximately 15% of total actives. The average non-frozen rate paid during the 2010-2014 period was approximately $ 220 per week (exclusive of the Distress Employer Contribution rate paid by YRC).

3. In July 2015, SRR provided an update to its 2010 study and was asked its opinion concerning the reasonableness of the following proposed contribution rates increases for the employers listed below:

Proposed Change in Contribution Rates					
Employer Name	2015	2016	2017	2018	2019
ArcBest Corporation [*]	0.0%	0.0%	0.0%	2.5%	2.5%
YRC Worldwide, Inc. [**]	0.0%	0.0%	0.0%	0.0%	2.5%
Grupo Bimbo, S.A.B. de C.V,	4.0%	4.0%	4.0%	4.0%	4.0%
The Kroger Co.	4.0%	4.0%	4.0%	4.0%	4.0%
SpartanNash Company	4.0%	4.0%	4.0%	4.0%	4.0%
Dean Foods Company	4.0%	4.0%	4.0%	4.0%	4.0%
Deutsche Post AG					
Air Express International USA Inc.	4.0%	4.0%	4.0%	4.0%	4.0%
DHL Express, Inc.	0.0%	0.0%	0.0%	2.5%	2.5%
Standard Forwarding LLC	8.0%	8.0%	8.0%	6.0%	4.0%
SuperValu, Inc.	4.0%	4.0%	4.0%	4.0%	4.0%
Roundy's, Inc.	4.0%	4.0%	4.0%	4.0%	4.0%
Kellogg Company	4.0%	4.0%	4.0%	4.0%	4.0%
Associated Wholesale Grocers, Inc.	6.0%	4.0%	4.0%	4.0%	3.5%

[*] An NMFA Employer currently subject to the "cap" of $342 per week placed on NMFA contribution rate increases.

[**] An Employer currently subject to the Distress Employer Schedule (which does not require contribution increases).

4. In its July 2015 report SRR concluded, on the basis of information available concerning the Employers listed above, that it is reasonable to expect those entities to sustain the indicated contribution rate increases, with the exception of the increases shown for YRC beginning in 2019. However, with respect to YRC, SRR also noted that -- because SRR based its conclusion solely upon the financial statements of the publically traded Employers it was asked to analyze its July 2015 report -- its report did not take account of any potential ability of YRC to absorb the proposed pension contribution rate increases by means of reducing other costs (*e.g.*,

health coverage costs) in the collective bargaining process or through other negotiations. A copy of the SRR report from 2015 is attached as Tab B.

5. Accordingly, the Trustees have determined to accept the recommendations and conclusions of SRR, except that the Trustees concluded that YRC will likely have the ability to absorb the rate increase shown above by means of reducing other costs in collective bargaining or through other negotiations. Therefore the Trustees have determined, on the basis of information currently available, that the future rate increases referenced above, including the increase in 2019 of 2.5% for YRC, are reasonable. Further, the Trustees have determined that for Employers currently subject to the $342 and $348 weekly rates and YRC (whose contribution rates are presently frozen), the proposed suspension plan will contain additional compounded annual contribution rate increases of 2.5% subsequent to 2018 (2019 in the case of YRC) until 2028, at which point those employers whose contribution rates are currently frozen will increase their contributions at the compounded annual rate of 3.0%indefinitely. In addition, the Trustees have determined that under the suspension plan, these same "capped" rate increases will apply to those Employers whose rates are currently below the rehabilitation plan maximum rates of $342 and $348 per week.

6. Further, the Trustees have been mindful that if they set contribution requirements at a level that is too high for the Fund's Contributing Employers to sustain, irreparable harm to the Employers could result (*e.g.*, business failures, liquidations and bankruptcies). This would, in turn, cause a permanent disruption of the stream of contribution revenue on which the Fund relies.

7. Although the SRR studies have focused on relatively large, publicly traded Contributing Employers, the Fund's smaller Contributing Employers do not appear to be any more capable of absorbing unstrained contribution rate increases.

8. For example, between 2010 and 2014 the Fund experienced a total of approximately 260 *involuntary* withdrawals resulting from Contributing Employer bankruptcies. Ninety-eight percent of the 2010 – 2014 Employer bankruptcies involved Employers with fewer than 50 active Pension Fund participants on a full-time equivalent ("FTE") basis prior to the contribution withdrawals, while 92% of the Fund's total Employer population employed on average 50 or fewer active participants during the same period.

9. These figures indicate that the Funds' smaller Contributing Employers are under the same level of financial stress as the larger Employers (and perhaps a slightly higher level of stress given that the small Employers experienced 98% of the Employer bankruptcies between 2010 and 2014, but comprised only 92% of the total Employer population).

10. Nevertheless, the Trustees have mandated substantial contribution increases in the past, and they have concluded that it would be reasonable to expect Employers to be able to sustain certain additional future contribution rate increases, and included those increases in their proposed suspension plan.

11. It should be noted in 1980 there were approximately 12,000 Employers that contributed to the Fund but in July 2015 there were approximately 1,800 Contributing Employers.

12. The Trustees believe that contribution rate increases required of Contributing Employers in the past have was a factor in the loss of Contributing Employers.

13. For example, Hostess Brands, Inc., a former Contributing Employer that employed approximately 2,800 Fund participants prior to its shutdown in 2012, failed to pay any of the pension contribution obligations it had accrued during July 2011. This created a delinquency of approximately $1.9 million owed by Hostess to the Pension Fund, and the company informed the Fund in August of 2011 that it was experiencing severe financial difficulties and would not be making any further contributions to the Pension Fund until it implemented a planned overall debt restructuring. Hostess claimed that one of the principal causes of its financial distress was the amount of pension contributions it owed each month to various multiemployer pension plans, with the Pension Fund at or near the top of the list of plans that Hostess believed was dragging it down. Hostess incurred a total contribution delinquency of approximately $6 million to the Pension Fund in 2011 before the Trustees determined that Hostess' participation in the Fund should be terminated in November 2011. In early 2012, Hostess then filed bankruptcy, and subsequently ceased all operations and began liquidating its assets.

14. Similarly, Allied Automotive Group ("Allied"), another Contributing Employer, entered bankruptcy in 2012, and claimed that its pension contribution obligations contributed significantly to its financial problems. Allied employed approximately 600 active participants prior to its bankruptcy. Like Hostess, Allied is undergoing a liquidation of its assets, and in both these bankruptcies the liquidations are expected to yield little or no payment on the Fund's claims for withdrawal liability (withdraw liability assessments of approximately $584 million in the case of Hostess and approximately $968 million in the case of Allied).

15. More broadly, deregulation of the trucking industry, which began in 1980, prompted a sharp decline in all segments of the unionized trucking industry, and exposed

trucking Employers to intense rate and route competition. This enabled non-union trucking Employers that pay lower wages and have lower pension and health costs to flourish at the expense of the unionized trucking industry.

16. As noted in IRS publication entitled "Trucking Industry Overview" (MSB 04-1107-075) (www.irs.gov/Business/Trucking-industry-overview-history-of-trucking):

> In the decade after deregulation [resulting from the Motor Carrier Act of 1980] the competition in trucking was fierce. There were not only hundreds of new companies, but also the formerly gentlemanly manner in which the big players dealt with each other became a battle to the death. Ten years after trucking was deregulated, one third of the 100 largest trucking companies were out of business, casualties of the fierce competition.
>
> It became increasingly difficult for the trucking companies to operate with union drivers. Their compensation is usually 35 percent more than non-union drivers. To reduce operating costs, new corporations were formed to operate with non-union drivers or independent contractors.

19 Further, deregulation has intensified competition for qualified drivers, with many drivers (particularly those who are younger) attracted to non-union carriers where -- even if the total compensation is less than in the unionized sector -- they can receive a larger percentage of their total compensation in the form of cash wages. At the same time, as explained above, the Fund's participants have seen increasing percentages of their total compensation devoted to pension contributions, while at the same time their actual pension accruals, measured on a percentage of contributions basis, have decreased significantly.

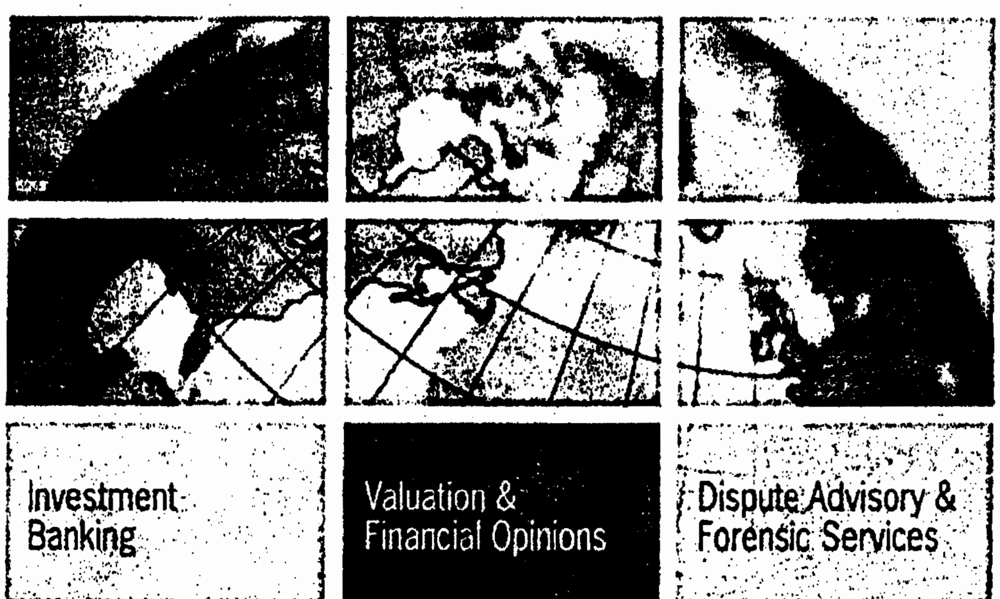
20 Therefore, although growth in the Fund's contribution requirements has been a factor in the loss of some Contributing Employers, more broadly deregulation has exposed Contributing Employers to competition from employers with lower pension costs. This has been significant cause of the decline in the number of Contributing Employers. As indicated above,

the Trustees have employed expert financial advisors to help assure that the mandated contribution rate increases are at the highest level that is reasonable and sustainable.

Tab A

PRESENTATION TO THE TRUSTEES OF THE CENTRAL STATES PENSION FUND

Issued: October 8, 2010



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APPENDICES

Section I

Introduction

I. INTRODUCTION

Description of the Engagement

- Stout Risius Ross, Inc. ("SRR") has been retained by the trustees (the "Trustees") of the Central States, Southeast and Southwest Areas Pension Fund's (the "Fund") Multiemployer Pension Plan (the "Plan"), (collectively the "Fund" and the "Plan" is referred to as the "Central States Plan"), to provide financial advisory services.
- The Fund is a multiemployer pension fund predominately for unionized workers employed within a broad range of industries of over 1,800 participating employers. Of the 20 largest contributing employers to the Plan eight of them are publicly traded and are as follows:
  - YRC Worldwide, Inc. ("YRC");
  - Arkansas Best Corp. ("Arkansas");
  - SuperValu, Inc. ("SuperValu");
  - Kroger Co. ("Kroger");
  - Sara Lee Corp. ("Sara Lee");
  - Spartan Stores, Inc. ("Spartan");
  - Dean Foods Co. ("Dean Foods"); and
  - Republic Services Group, Inc. ("Republic")
- In addition, we were provided financial information on two privately held employers, Allied Systems Holdings, Inc. ("Allied") and Jack Cooper Transport Company, Inc. ("Jack Cooper") that ranked among the top 20 largest contributing employers. This financial information was sufficient to analyze the affects that a change in the contribution rate paid by these employers may have on their financial condition.
- These eight publicly traded companies and two privately-held companies (the "Employers") contributed over $276 million to the Fund in fiscal 2009, which represented approximately 46.9% of the total contributions collected during fiscal 2009.
- On March 24, 2008, the Fund was certified by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the Pension Protection Act of 2006 ("PPA"). As a result, the Fund's Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA.
- Under the PPA, a rehabilitation plan must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. One current alternative under the rehabilitation plan requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for each Employer.

I. INTRODUCTION

- It is our understanding that the Employers who participate in the Plan have two alternatives:
  - Withdraw from the Central States Plan and pay the corresponding withdrawal liability; or
  - Remain in the Plan and satisfy their annual Contribution.
- We understand that the Plan's collectively bargained pension contribution rates (the "Contribution Rate") may be subject to change, in part in response to possible changes in the Fund's rehabilitation plan adopted pursuant to the Pension Protection Act of 2006. We understand that Contribution Rate changes may materially impact the operations of certain employers in the Plan and their viability.
- The Central States Plan's Trustees are concerned that some of the Central States Plan contributing employers will not be able to finance the increased contribution. In addition, withdrawing from the Plan and satisfying their withdrawal liability is not a viable option for the Central States Plan's largest contributors, including YRC and Arkansas because their withdrawal liabilities exceed their market capitalizations. Accordingly, any withdrawal from the Plan by these two companies would likely force YRC and Arkansas into bankruptcy and result in very little payments to the Plan.
- The Fund has requested that we provide the following services:
  - Conduct an analysis (the "Analysis") of the Employers and evaluate their financial performance both historically and prospectively including but not limited to an analysis of industries the Employers participate in, including analyzing the effect that the proposed changes in the Contribution Rate, consistent with the current rehabilitation plan, will have on the Employers.
  - Render a written opinion (the "Opinion") to the Fund regarding the extent to which (if any) potential increases in the Contribution Rate of the Employers is reasonable from a financial point of view.

I. INTRODUCTION

Sources of Information

In connection with this analysis, we have made such reviews, analyses, and inquiries as we have deemed necessary and appropriate under the circumstances. Among other things we:

- reviewed the Fund's audited financial statements for the fiscal years ended December 31, 2005 through December 31, 2009;
- reviewed 10-Q, 10-K, and 8-K SEC filings for the Employers;
- reviewed a schedule of historical employer contributions to the Fund;
- reviewed a schedule of estimated mass withdrawal liabilities for fiscal year 2009 by employer prepared by the Central States Plan;
- reviewed Standard & Poor's debt credit ratings for the Employers;
- reviewed the Central States plan document titled "Central States, Southeast and Southwest Areas Pension Plan," restated plan effective January 1, 1985, as amended through January 1, 2010;
- reviewed various industry analyst reports for the (1) trucking, freight and shipping, (2) food retail, and (3) packaged food and meats industry groups;
- reviewed various analyst reports for the Employers; and
- reviewed other information and conducted such other studies, analyses, and investigations as we deemed appropriate.

In performing our analysis, we used various financial and other information provided to us by management or obtained from other private and public sources, and we have relied on the accuracy and completeness of this information. We have not been engaged to compile, review, or examine such information in accordance with standards established by the American Institute of Certified Public Accountants. Accordingly, we do not express an opinion or any other form of assurance therein with respect to the information. Our analysis is necessarily based upon market, economic, and other considerations as they existed on and could be evaluated as of October 7, 2010.

Assumptions and Limiting Conditions

- This report and the opinions expressed herein are provided exclusively for the use of the Trustee for the purpose stated herein, and should not be referred to or distributed, in whole or in part, without our prior written consent. Reference should be made to Appendix C, as well as our engagement letter dated August 11, 2010, for certain assumptions and limiting conditions that are applicable to our analysis and report.

Section II

Central States Plan Overview

II. Central States Plan Overview

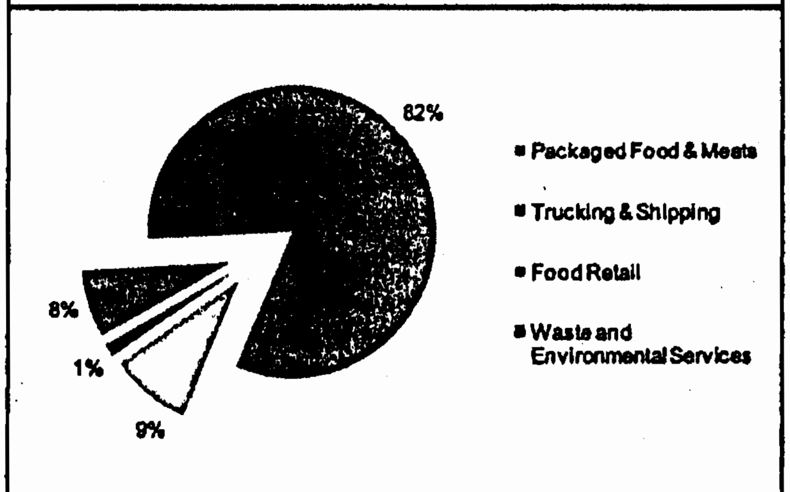
Central States Plan Background

- The Central States Plan is a multiemployer defined benefit plan. The Fund provides retirement and related benefits for eligible employees of contributing employers that are signatory to collective bargaining agreements with Teamster local unions. Benefits under the Plan are generally based on the participant's age, accumulated service credit, and employer contributions to the Fund.
- On June 17, 2009, the Fund entered into a Contribution Deferral Agreement ("CDA") with YRC. The CDA arose as a result of YRC's inability to remain current with its pension contribution obligation to the Fund. Under the CDA, the Fund agreed to allow YRC to defer payment of approximately $83 million of unpaid contributions as of May 31, 2009.
- During July 2009, the International Brotherhood of Teamsters ("IBT") and YRC negotiated a modification to their collective bargaining agreement which allowed YRC to terminate pension fund contributions to all of the multiemployer pension funds covering Teamster employees from July 1, 2009 through December 31, 2010.
- On July 9, 2009, the Trustees terminated YRC's participation in the Fund due to YRC's refusal and inability to make timely payments to the Fund. Under the terms of the modified collective bargaining agreement, YRC intends to re-enter the Fund in January, 2011, or sooner should certain financial benchmarks be achieved, under terms agreeable to the Fund. During this time, YRC's members will not earn any additional pension benefits.
- On September 16, 2009, the Fund entered into a Consent and Amendment Agreement to the CDA with YRC which added $26 million in unpaid contributions that accrued between May 31, 2009 and July 9, 2009 to the deferred amount under the original CDA.
- On November 17, 2009, the Fund entered into a second amendment to the CDA. This amendment provided that the monthly YRC payments to the Fund of principal and interest scheduled to commence in January 2010, as required under the original CDA, be deferred until December 31, 2010.

II. CENTRAL STATES PLAN OVERVIEW

Employers

- The Employers operate within four industry groups:
  - Trucking and Shipping;
  - Food Retail;
  - Packaged Food and Meats; and
  - Waste and Environmental Services
- The graph below illustrates the contribution expense of the Employers by industry group in fiscal year 2009:



- The Employers accounted for approximately 46.9% of total contribution to the Central States Plan in fiscal year 2009. YRC accounted for 23.4% of total contributions to the Central States Plan and YRC, Arkansas and Allied accounted for 36.5% of total contribution expense in fiscal year 2009.
- YRC only made contributions through the first week of July 2009 due to the CDA. In fiscal year 2008, YRC's contributions to the Fund represented approximately 37.1% of total contributions.

II. CENTRAL STATES PLAN OVERVIEW

- The chart below illustrates the contribution expense of the Employers as a percentage of the Central States Plan's total contribution expense in fiscal year 2009:

Pension Contribution by Employer in Fiscal 2009

Employer Name		2009 Pension Contribution	Percentage
YRC Inc. [a]	$	137,836,248	23.4%
Arkansas Best Corporation		56,905,730	9.7%
Allied Systems LTD		19,837,326	3.4%
Sara Lee Bakery		12,886,837	2.2%
Jack Cooper Transaport Co.		11,961,180	2.0%
SuperValu, Inc.		8,850,975	1.5%
The Kroger Co.		8,691,942	1.5%
Dean Foods		7,924,247	1.3%
Spartan Stores, Inc.		7,520,853	1.3%
Republic Services, Inc.		3,778,371	0.6%
Other		312,375,292	53.1%
Total		588,569,000	100.0%

[a] 2009 contribution are through the first week of July 2009.

II. CENTRAL STATES PLAN OVERVIEW

- The chart below illustrates the estimated withdrawal liability and current market capitalization of the Employers:

Withdrawal Liability Compared to Market Capitalization for Employers

In U.S. Dollars

Employer Name	Estimated Withdrawal Liability	Market Capitalization [a]	Withdrawal Liability > Market Capitalization
YRC, Inc.	$ 6,084,100,739	$ 307,677,825	Yes
Arkansas Best Corporation	1,071,758,534	514,633,620	Yes
Allied Systems LTD	711,917,662	n/a	n/m
Sara Lee Bakery	270,533,770	9,667,767,400	No
Jack Cooper Transaport Co.	230,002,977	n/a	n/m
SuperValu, Inc.	301,628,753	2,149,069,370	No
The Kroger Co.	203,483,348	13,284,448,990	No
Dean Foods	159,544,882	1,839,270,600	No
Spartan Stores, Inc.	162,077,637	311,573,790	No
Republic Services, Inc.	65,342,431	11,401,914,466	No

[a] Market Capitalization is based on shares outstanding multipled by current stock price.

II. CENTRAL STATES PLAN OVERVIEW

- The chart below illustrates the Standard & Poor's issuer credit ratings and the future outlook of the Employers:

S&P Credit Rating and Outlook by Employer

Company	S&P Credit Rating	Outlook
YRC Worlwide, Inc.	CCC-	Developing
Arkansas Best Corp.	n/a	n/a
Allied Systems LTD	n/a	n/a
Sara Lee Corp.	BBB	Stable
Jack Cooper Transport Co	n/a	n/a
Supervalu	BB-	Negative
Kroger	BBB	Stable
Dean Foods	BB-	Negative
Spartan Stores, Inc.	n/a	n/a
Republic Services, Inc.	BBB	Stable

- A Standard & Poor's issuer credit rating is a current opinion of a company's overall financial capacity (its creditworthiness) to pay its financial obligations:

  - AAA - An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The sponsor's capacity to meet its financial commitment on the obligation is extremely strong.

- AA - An obligation rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated company's only to a small degree.
- A - An obligation rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than companies in higher-rated categories.
- BBB - An obligation rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments.
- BB - An obligation rated 'BB' is less vulnerable in the near term than other lower-rated companies. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the company's inadequate capacity to meet its financial commitments.
- B - An obligation rated 'B' is more vulnerable than the company's rated 'BB', but the company currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the company's capacity or willingness to meet its financial commitments.
- CCC - An obligation rated 'CCC' is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the company to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the company is not likely to have the capacity to meet its financial commitment on the obligation.
- CC - An obligation rated 'CC' is currently highly vulnerable to nonpayment.
- C - A subordinated debt or preferred stock obligation rated 'C' is currently highly vulnerable to nonpayment. The 'C' rating may be used to cover a situation where a bankruptcy petition has been filed or similar action taken, but payments on this obligation are continuing. A 'C' rating will also be assigned to preferred stock that is currently in arrears on dividends or sinking fund payments, but payment is continuing.
- D - An obligation rated 'D' is in payment default. The 'D' rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

■ Plus (+) or minus (-) - The ratings from 'AA' to 'B' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Section III

Economic Overview

III. ECONOMIC OVERVIEW

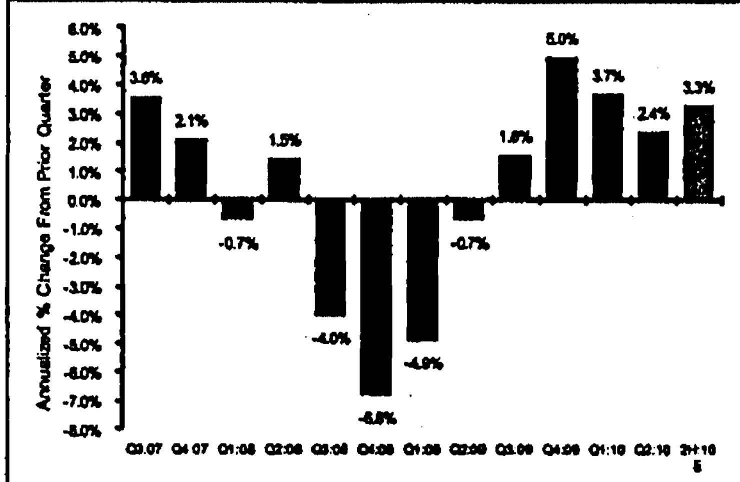
Gross Domestic Product

- Real (i.e., inflation adjusted) GDP growth of 2.0% to 2.5% is generally considered optimal when the economy is operating at full employment.
- GDP increased at an annual rate of 2.4% in the second quarter of 2010, slowing from the 3.7% expansion in the first quarter of 2010. Compared with the first quarter, the slowing growth rate was the result of stronger imports and a smaller improvement in inventories. Somewhat offsetting these factors were an increase in homebuilding, stronger growth in business investment, an increase in state and local government spending, and stronger growth in federal spending.
- As of June 2010, GDP is forecasted to increase at an annual rate of 3.3% in the second half of 2010. However, many economists are concerned that the European debt crisis and the declining benefits stemming from newly enacted monetary and fiscal stimulus policy could negatively impact economic growth.

Interest Rates

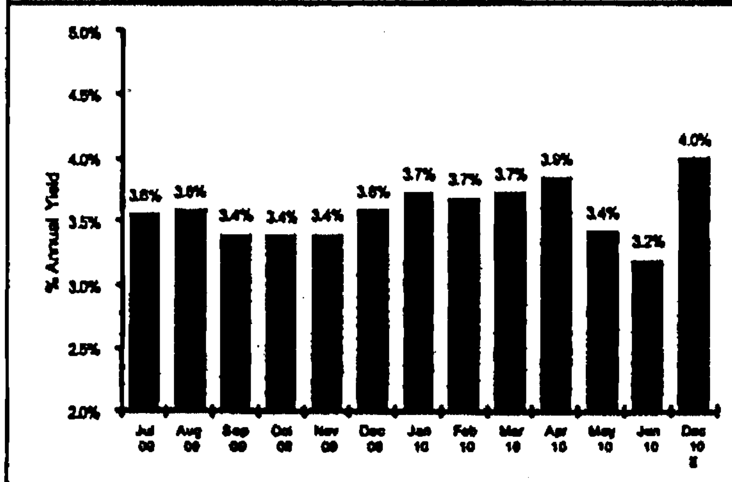
- Over the past 20 years, the ten-year U.S. Treasury constant maturity yield averaged 6.1%.
- The ten-year U.S. Treasury constant maturity yield decreased 0.422% to 3.20% in June 2010, from 3.42% in May 2010.
- As of June 2010, this rate is forecasted to increase to 4.0% by December 2010.

Current and Forecasted U.S. Real GDP



Sources: Dismal Scientist and Federal Reserve Bank of Philadelphia

Ten-Year U.S. Treasury Note Yields



Sources: Dismal Scientist and Federal Reserve Bank of Philadelphia

III. ECONOMIC OVERVIEW

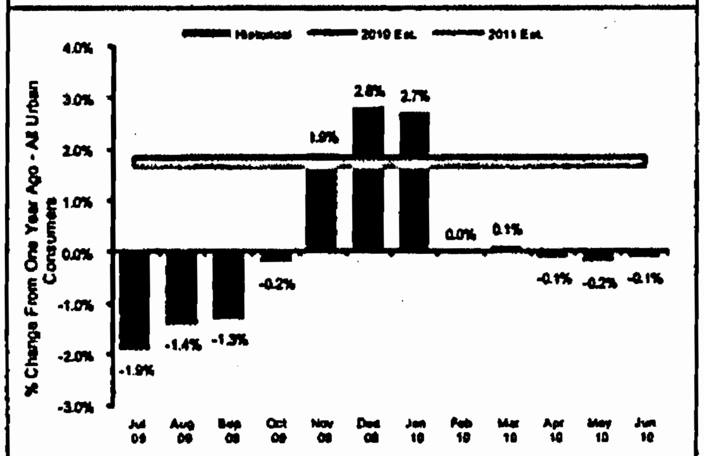
Consumer Price Index

- The CPI has increased at an average rate of 3.1% over the past 20 years.
- The CPI decreased 0.1% in June 2010; additionally, the CPI has increased 1.1% over the past 12 months.
- The core index, excluding food and energy prices, increased 0.2% in June 2010 and has increased 1.0 % over the past 12 months.
- CPI is expected to average 1.8% in 2010, a downward revision from the positive 2.2% previously estimated in December 2009, and 1.7% in 2011

Employment Situation

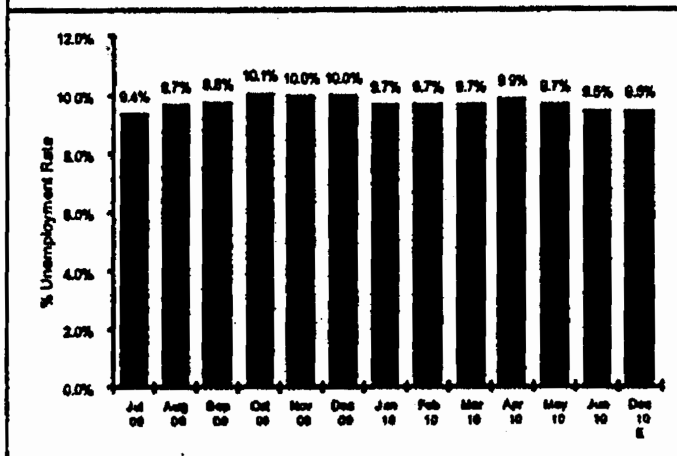
- Typically, economists consider the economy to be operating at full employment when the unemployment rate is between 5.5% and 6.0%.
- Hiring has stabilized since declining dramatically during the recession in 2008 and 2009, but remains far below levels expected in a well-functioning job market. The current pace of net job creation is not expected to prevent the unemployment rate from rising in coming months.
- The unemployment rate is forecasted to increase slightly to 9.6% by September 2010 and then remain at around 9.5% by December 2010.

U.S. Consumer Price Index



Sources: Dismal Scientist and Federal Reserve Bank of Philadelphia

U.S. Unemployment Rate



Sources: Dismal Scientist and Federal Reserve Bank of Philadelphia

III. ECONOMIC OVERVIEW

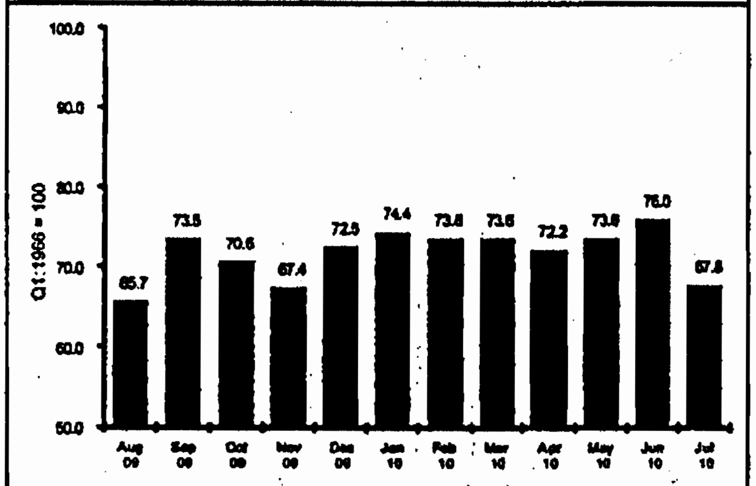
Consumer Sentiment

- The Index of Consumer Sentiment, normalized at a value of 100 in the first quarter of 1966, is constructed by the Survey Research Center at the University of Michigan based on a survey of consumers regarding personal finances, business conditions, and anticipated spending. This metric is important as a barometer of the strength of the economy since consumer spending represents approximately two-thirds of GDP.
- Consumer sentiment decreased in July 2010 to 67.8. Compared with June, expectations and present conditions decreased.
- Confidence is expected to follow an inconsistent upward trend. Currently, consumer fundamentals remain weak, as does confidence.

Industrial Production

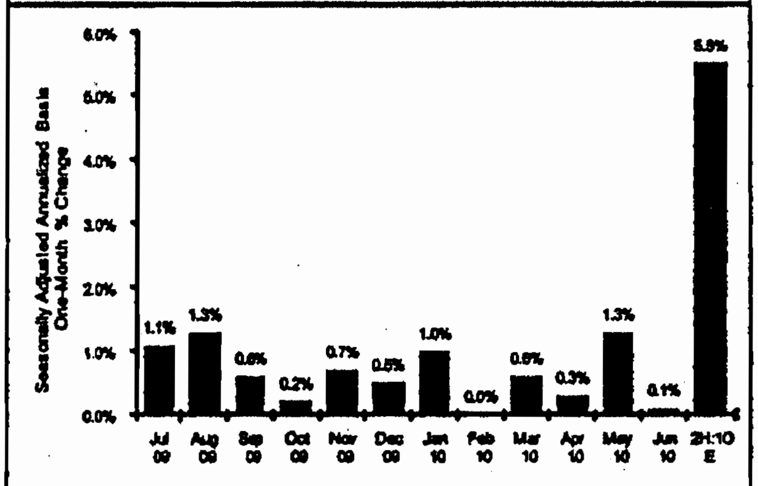
- Over the past 20 years, industrial production has increased at an average annual rate of 2.8%, or 0.23% on a monthly basis.
- Industrial production increased 0.1% in June 2010, while manufacturing output decreased 0.4%.
- Industrial production is projected to increase 5.5% in the second half of 2010. (The forecasted annual rates are shown on a monthly basis in the below chart.)

Consumer Sentiment



Source: Dismal Scientist

Industrial Production



Sources: Dismal Scientist and Federal Reserve Bank of Philadelphia

III. Economic Overview

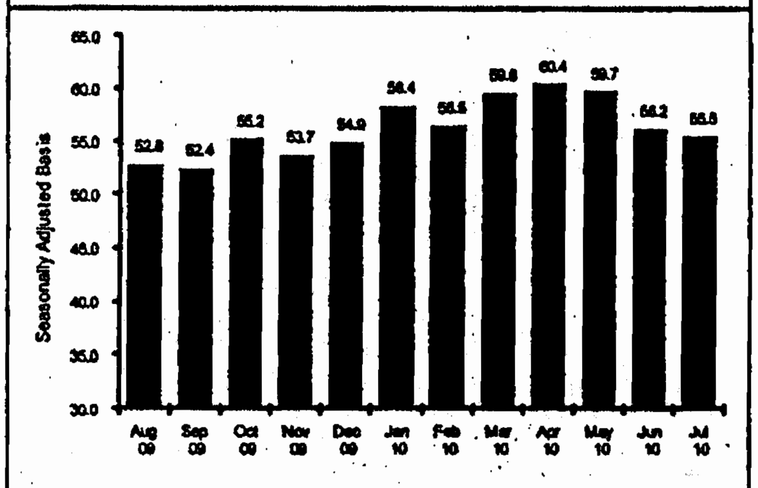
Purchasing Managers' Index

- Index values above 50 indicate an expanding manufacturing sector, while values below 50 indicate a contracting manufacturing sector.
- The PMI decreased to 55.5 points in July 2010 from 56.2 points in June 2010. Although the decline was smaller than anticipated, the index has decreased for three consecutive months and is at its lowest level since December 2009. Overall, the PMI index suggests that real GDP and factory output slowed early this quarter.

Equity Markets

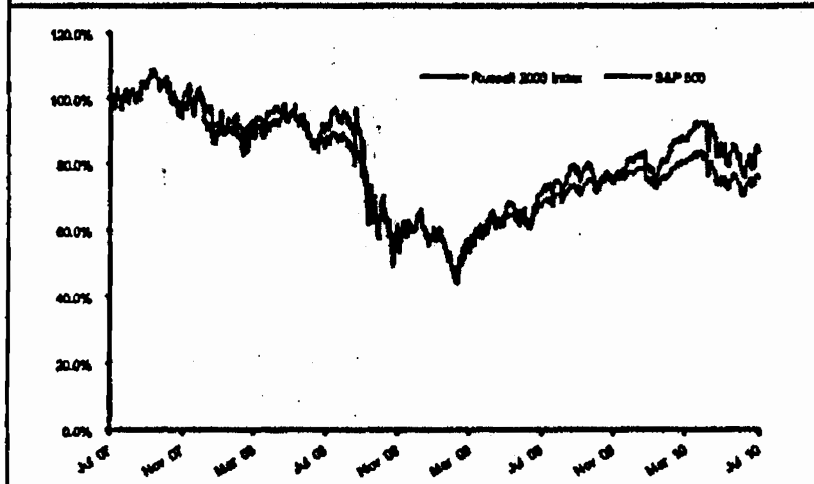
- Over the past 20 years, the S&P 500 and Russell 2000 have returned 5.9% and 6.8% per annum, respectively.
- As of July 31, 2010, the S&P 500 and the Russell 2000 have declined 25.3% and 17.0% from three years ago.
- Through July 31, 2010, the S&P 500 increased 11.6% and the Russell 2000 increased 16.7% from a year ago.

Purchasing Managers' Index



Source: Dismal Scientist

Three-Year Relative Index Performance



Source: Capital IQ, Inc.

III. ECONOMIC OVERVIEW

Applicability to the Employers

- As of the Valuation Date, the United States is recovering from a large-scale financial crisis. Due to rising mortgage defaults and foreclosures, the value of mortgage-backed securities ("MBS") decreased throughout 2008. As these securities lost value, declining capital positions among financial institutions maintaining substantial MBS positions resulted in tightened bank lending standards and reduced availability of credit, thus threatening a breakdown of global financial systems. During the third quarter of 2008 and continuing until the second quarter of 2009, quarterly GDP declined at an annual rate of 0.7% to 6.8%. Further, unemployment increased to levels above 10.0%.
- Although GDP growth in the second half of 2009 and first half of 2010 suggests that the U.S. economy is beginning to recover, the high unemployment rate, tight credit markets, and continued stock market volatility indicate that economic conditions could remain challenging throughout 2010. As a result, the future financial performance of many companies remains uncertain. Furthermore, recent declines in the unemployment rate are partially due to a tightening labor supply (as unemployed workers cease looking for employment) and an increase in temporary government jobs (related to the 2010 U.S. Census) rather than material improvements in economic conditions.
- Fading support from the monetary and fiscal stimulus, the waning inventory cycle in manufacturing, and the fallout from Europe's sovereign debt crisis are weighing on the recovery of the U.S. economy. The recovery's weakness is clearly evident in the job market, where the U.S. unemployment rate is at 9.3%. Ignoring the temporary impact of hiring related to the U.S. census, job growth has noticeably slowed since the spring. Evidence that the recovery has lost traction has prompted downgrades to GDP growth outlooks for the remainder of 2010 and for fiscal 2011 and increased fears of a "double-dip" recession.
- The financial condition and growth prospects of the Employers are dependent on the overall performance of the U.S. economy. Slowing growth, high unemployment and increased risk of a "double-dip" recession could negatively affect the Employers' revenue and profitability. In addition, current economic uncertainty creates more risk for the Employers' future prospects.

Section IV

Industry Outlook

IV. INDUSTRY OUTLOOK

Industry Group Overview

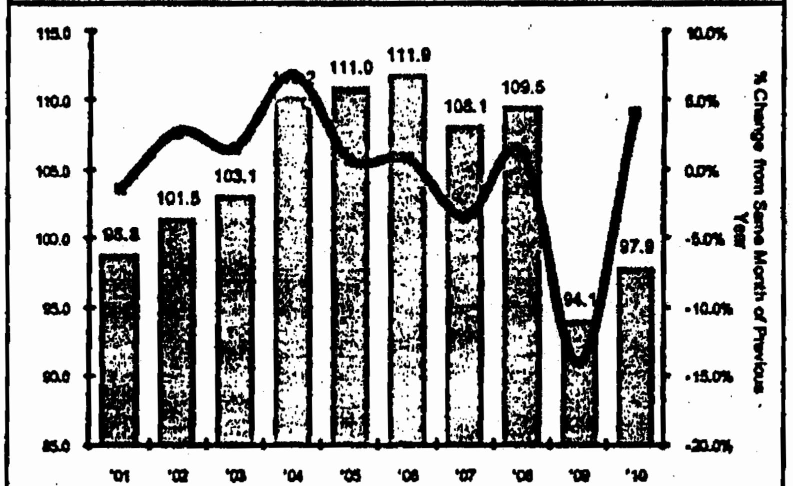
Trucking and Shipping

- The U.S. trucking industry group produces annual revenue of $140 billion, and includes approximately 40,000 companies and 30,000 independent contractors. Large companies include YRC, Schneider National, Con-way, and JB Hunt. The industry group also contains several dozen regional companies with annual revenue at approximately $100 million. Despite significant consolidation in recent years, the industry group remains fragmented with the 50 largest companies holding less than a 30% market share.
- The trucking and shipping industry has faced difficult conditions and falling demand as the economy entered into a recession in 2008. The manufacturing and retail sectors have been negatively impacted by the recession. These two sectors are central to the trucking and shipping industry, and reduced manufacturing activity, poor retail sales and declining inventories have contributed to falling demand for trucking and shipping services.
- In 2009, employers in the trucking and shipping industry delayed non-essential hiring, waiting for an improvement in the operating environment. Over the longer term, the trucking and shipping industry has experienced driver shortages. As the industry recovers and freight volumes return to normal levels, employers in this industry will likely need to hire additional employees to meet anticipated future demand.
- The long run demand for freight transport services has been consistently outpacing GDP growth. Strong growth has been led by increased international trade, the move to just-in-time inventory management and the outsourcing of non-core business functions. These trends are expected to return to the long run trend in 2011 as the U.S. economy recovers, increasing the total demand for freight movements. Trucking is expected to continue to be the largest provider of transport services, although with higher fuel prices and greater consumer awareness of environmental sustainability, the industry is expected to face increased competition from rail service. IBISWorld estimates that the long-distance freight trucking industry will increase at a compounded annual growth rate of 2.6% for the years 2010 to 2015.
- Total U.S. durable goods manufacturers' shipments, an indicator of the volume of goods shipped by truck, increased 13.3% in the first seven months of 2010 compared to the same period in 2009.
- The general freight trucking industry has increased shipping fees around 15.0% over the past five years. Fee increases have been modest considering the price of diesel has fluctuated greatly during the same period. Most carriers add fuel surcharges to help offset fuel price increases.
- For-hire truck tonnage increased more than 9.0% in April 2010 compared to the same month a year ago. The year-over-year gain is the largest since early 2005, according to American Trucking Associations ("ATA"). Year-to-date tonnage though April 2010 was up 6.0% from 2009, suggesting a rebound in the struggling industry. Seasonally adjusted, ATA's tonnage index increased six of the last seven months through April 2010.

IV. INDUSTRY OUTLOOK

- The Freight Transportation Services Index ("FTSI"), which measures the month-to-month changes in freight shipments in ton-miles, as published by the Bureau of Transportation Services ("BTS"), increased 0.2% in June and has increased 4.7% over the last 13 months, starting in June 2009, after declining 15.3% in the previous ten months beginning in August 2008.

FTSI Annual Percenatge Change



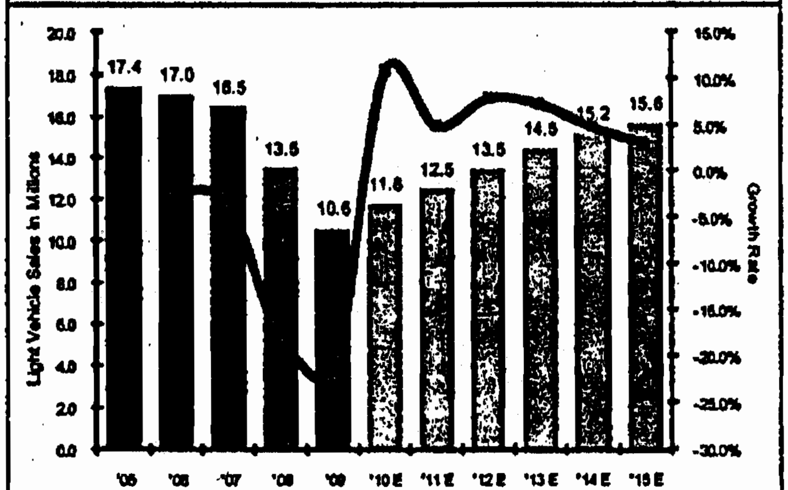
Source: Bureau of Transportation Statistics

IV. INDUSTRY OUTLOOK

U.S. Automobile Sales

- In 2009, there were 10.6 million light vehicle units sold in the United States. This was a 21.5% decline from 2008, and the lowest volume of light vehicle sales in the United States since 1982. Industry analysts forecast 27.5% growth for 2010 to 13.3 million units, similar to the level of volume experienced in 2008. Lower automobile sales significantly impact the revenue of car haulers

North America Light Vehicle Sales



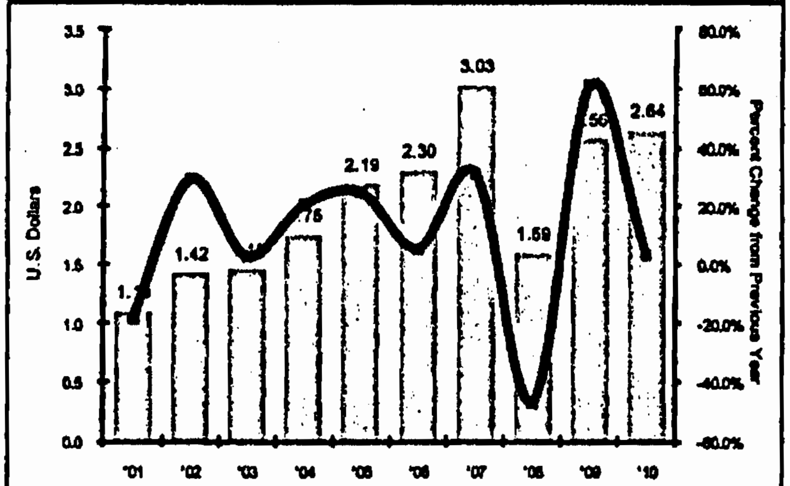
Source: Ward's Automotive Group and CSM Worldwide

- Beginning in 2008 and continuing through 2009, the domestic automotive industry experienced a severe downturn. The declines in the U.S. housing market, the global financial crisis, a lack of available consumer credit and financing options, rising unemployment, low consumer confidence and fluctuating fuel prices, among other factors, combined to result in a major decline in industry production and sales volumes.
- CSM Worldwide forecasts that North American light vehicle production will increase each year between 2009 and 2014. CSM Worldwide forecasts that the overall growth from 2009 to 2014 will represent a 5-year compound annual growth rate of 12.4%.
- In 2009, the success of the U.S. Government's Cash for Clunkers program, which reduced dealer inventories to historic lows, did stimulate automotive sales in the short term. Although U.S. automotive production is expected to increase in 2010, it is likely that domestic production levels will remain at relatively low levels until general economic conditions and consumer confidence significantly improve.

IV. INDUSTRY OUTLOOK

- Fuel prices, a key input in the trucking and shipping industry, increased 330.7% over the five years ended July 2008 due to the increasing price of crude oil. Since July 2008, the price of fuel has decreased, easing some of the financial pressure on the industry. As the U.S. economy stabilizes in 2010, the price of oil and diesel is expected to increase.

Price of Retail Gasoline



Source: U.S. Energy Information Association

- The trucking and shipping industry is a mature industry that is highly dependent on the strength of the U.S. economy. Companies in the industry have been negatively impacted by lower shipments and increased capacity. In addition, car haul companies operating within the trucking and shipping industry have been negatively impacted by the declining macroeconomic environment and the negative overall impact on the automotive industry. Weak economic conditions have driven volume down and excess capacity due to lower volumes has increased price competition resulting in lower margins and cash flows for companies in this industry. In addition, companies with a union labor force are finding it more difficult to compete with nonunion companies. Industry conditions are expected in improve, although modestly, in line with an expansion of the U.S. economy. Many of the companies in this industry have high overhead costs (debt obligations, union workforce, pension obligation, etc.). A long recovery period or double dip recession could result in significant financial distress for a number of companies in this industry.

Selected Financial Information of Ratios - Trucking & Shipping Industry

U.S. Dollars in Millions

	YRC Worldwide Inc.	Arkansas Best Corporation	Trucking & Shipping Industry Median	S&P 500 Median
Size				
Sales	$ 4,772.1	$ 1,541.8	$ 642.4	$ 7,212.9
Assets	2,843.3	851.8	440.6	11,772.5
Market Value of Equity ("MVE")	291.0	512.2	337.4	9,280.2
EBITDA	(134.0)	(16.5)	51.9	1,280.0
Enterprise Value	1,304.9	408.5	444.6	11,524.8
Growth				
Sales 3-year CAGR	-21.3%	-6.2%	-3.8%	3.1%
EBITDA 3-year CAGR	n/m	n/m	-5.8%	4.6%
Net Income 3-Year CAGR	n/m	n/m	-13.4%	2.0%
Leverage FCF	-37.2%	n/m	-29.0%	12.1%
Total Assets	-22.1%	-3.5%	-1.2%	5.2%
Stock Price	-99.2%	-7.4%	-16.5%	-19.3%
Short-Term Liquidity				
Current Ratio	0.7x	0.7x	1.6x	1.7x
Quick Ratio	0.5x	1.2x	1.2x	1.1x
Long-Term Solvency				
Total Debt / Equity	n/m	8.5%	40.5%	53.7%
Total Debt / Capital	107.1%	7.8%	30.9%	33.7%
Total Liabilities / Total Assets	102.7%	44.3%	47.1%	59.1%
EBIT / Interest Expense	n/m	n/m	2.0x	8.2x
Total Debt / EBITDA	n/m	n/m	1.8x	1.7x
Altman Z-Score	0.5x	3.0x	3.0x	3.2x
Margin Analysis				
Gross Profit Margin	2.9%	5.3%	19.8%	40.8%
EBITDA Margin	-2.8%	-1.1%	9.9%	20.7%
EBIT Margin	-7.6%	-5.9%	5.0%	15.3%
Net Profit Margin	-6.8%	-3.7%	1.4%	8.3%
Leverage FCF	0.3%	-4.1%	0.8%	8.2%

Source: Capital IQ, Inc.

IV. INDUSTRY OUTLOOK

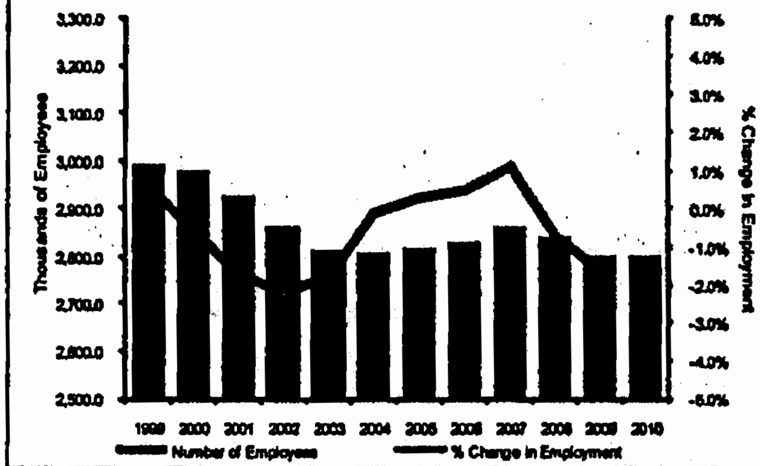
Grocery Stores and Supermarkets

- The U.S. retail grocery industry includes approximately 65,000 supermarkets and other grocery stores with combined annual revenues of $465 billion. Large companies include Kroger, Supervalu, Safeway, and Ahold. The industry is highly concentrated with the 50 largest companies generating approximately 70% of industry revenue.
- While total revenue generated by grocery stores and supermarkets increased slightly in 2008 and 2009, industry profits steadily declined as a result of rising costs of inputs, utilities and transportation. In 2010, IBISWorld projects industry profits to average less than 2.0% of revenue and forecasts industry revenue to decline by 1.0%. The industry did not experience revenue growth at the peak of the recession in 2009 because grocery stores and supermarkets were forced to adjust to deteriorating economic conditions by lowering prices and offering frequent discounts, even though overall consumption increased.
- Grocery stores and supermarkets are affected by changes in the economy. During times of low consumer sentiment and unfavorable economic conditions, as experienced in 2008 and 2009, consumers will purchase lower-priced goods instead of premium brands or even reduce spending altogether. As the nation recovers from the recession, consumers will start to eat out more. This will translate to reduced demand at grocery stores and supermarkets.
- Discount stores and warehouse clubs, such as Wal-Mart and Costco, continue to expand their sale of groceries. Wal-Mart is the largest retailer of groceries in the United States, with annual grocery sales of approximately $60 billion.
- United States retail sales for food and beverage stores, a potential measure of demand for grocery items, increased 2.7% in the first seven months of 2010 compared to the same period in 2009.
- Because of intense competition, grocers typically have difficulty increasing prices. On average, retail prices for food increase between 2% and 3% annually. In addition, the CPI for food, an indicator of grocery store and supermarket product values, increased 0.9% in July 2010 compared to July 2009. Food-at-home and food-away-from-home prices both increased by 0.7%.
- According to the United States Department of Agriculture, the CPI for all food increased 1.8% in 2009 and is projected to increase 1.5% to 2.5% in 2010 and 2.0% to 3.0% in 2011. The increase in CPI is expected to result from economic improvement worldwide, resulting in increased commodity and energy costs, as well as stronger food demand.
- U.S. personal consumption expenditures at grocery stores and supermarkets are forecast to increase at an annual compounded rate of 2% between 2009 and 2014, according to the Interindustry Economic Research Fund, Inc.

IV. INDUSTRY OUTLOOK

- Although average hourly industry wages are significantly below the national average, labor costs are typically a grocery store's largest expense, accounting for approximately 40% of expenses. Most positions involve cashiering, restocking, food preparation, and bagging. Employment in the industry decreased at a compound annual rate of 0.6% since 1999.

Food and Beverage Stores Employment



Source: U.S. Bureau of Labor Statistics, July 2010.

- As the impact of the most recent economic recession expanded throughout the United States, changes in consumer spending patterns benefited the industry. Households and individuals became more conservative with respect to food expenditures, shopping more at supermarkets and grocery stores rather than eating at restaurants. Although the industry experienced slight growth in 2008 and 2009, industry profits declined as a result of rising costs of inputs, utilities, and transportation. In 2010, industry profits are expected to average less than 2.0% of revenue.

- Consolidation is an increasing trend across the industry as competition within the industry has intensified and opportunities for industry growth are limited. Companies looking to enter new geographic and demographic markets are more likely to achieve growth by acquisition. In addition, smaller grocery stores continue to struggle to maintain profit margins, thus becoming attractive targets for acquisition.

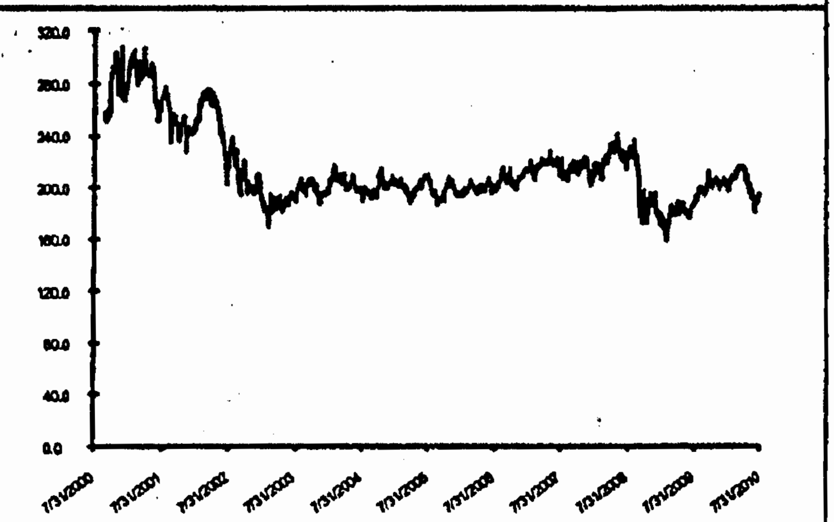
- A few examples of consolidation in the industry include:
  - In November 2007, Susser Holdings Corporation ("Susser") acquired Town & Country Food Stores ("Town & Country") for approximately $360 million. Susser acquired a total of 168 stores from Town & Country as part of the transaction.
  - In June 2008, Publix Super Markets, Inc. acquired 49 stores in Florida from Albertson's LLC ("Albertson's") for approximately $500 million.

IV. INDUSTRY OUTLOOK

- In November 2009, Associated Food Stores, Inc. acquired 36 stores from Albertson's for $150 million.
- In February 2010, Giant Food Stores, LLC acquired Ukrop's Super Markets for $140 million.

■ The S&P Composite 1500 Food & Staples Retailing Index decreased at a compound annual growth rate of negative 2.7% between July 31, 2007 and July 31, 2010, compared to an 8.9% decrease in the S&P 500 Index. The lower decline than the S&P 500 index suggests that the food retail industry is more insulated from economic fluctuations than most companies. However, it is also important to note that as the U.S. economy recovers, grocery stores and supermarkets will likely benefit less as consumers become less conservative in their food expenditures and eat at restaurants more frequently rather than shop at grocery stores.

S&P Composite 1500 Food & Staples Retailing (Industry) Index



Source: Capital IQ, Inc.

IV. INDUSTRY OUTLOOK

- The retail grocery industry is a mature industry that is somewhat dependent on the strength of the U.S. economy. The global economy and financial markets have declined and experienced volatility due to uncertainties related to energy prices, availability of credit, difficulties in the banking and financial services sectors, the decline in the housing market, diminished market liquidity, falling consumer confidence and rising unemployment rates. As a result, more cautious consumers reduced spending, switched to a less expensive mix of products, and traded down to discounters for grocery items, all of which has affected and could continue to affect industry sales growth and earnings. In 2009, the industry experienced overall deflation in food products. Food deflation could reduce sales growth and earnings, while food inflation, combined with reduced consumer spending, could reduce gross profit margins and earnings. If the global economy and financial markets do not improve, or if they worsen, the operating results and financial condition of companies in this industry could be adversely affected.

Selected Financial Information of Ratios - Retail Food Indsutry

U.S. Dollars in Millions

	SUPERVALU Inc.	The Kroger Co.	Spartan Stores Inc.	Retail Food Industry Median	S&P 500 Median
Size					
Sales	$ 39,427.0	$ 78,708.0	$ 2,533.2	$ 4,258.5	$ 7,212.9
Assets	16,123.0	22,881.0	758.3	1,838.1	11,772.5
Market Value of Equity ("MVE")	2,147.6	13,241.6	311.5	461.8	9,280.2
EBITDA	2,183.0	3,643.0	98.8	191.2	1,280.0
Enterprise Value	9,649.6	20,162.6	486.2	1,353.5	11,524.8
Growth					
Sales 3-year CAGR	-4.3%	5.3%	4.8%	5.3%	3.1%
EBITDA 3-year CAGR	-8.1%	0.5%	9.8%	5.6%	4.6%
Net Income 3-Year CAGR	-12.2%	-80.1%	-5.2%	6.0%	2.0%
Leverage FCF	n/m	-6.1%	24.7%	13.5%	12.1%
Total Assets	-8.6%	2.9%	9.6%	8.0%	5.2%
Stock Price	-19.5%	-1.0%	15.6%	-26.2%	-19.3%
Short-Term Liquidity					
Current Ratio	0.7x	0.7x	0.0x	1.4x	1.7x
Quick Ratio	0.2x	0.2x	0.3x	0.7x	1.1x
Long-Term Solvency					
Total Debt / Equity	261.3%	147.3%	65.1%	34.8%	53.7%
Total Debt / Capital	72.3%	59.6%	39.4%	40.2%	33.7%
Total Liabilities / Total Assets	81.7%	77.7%	63.2%	51.8%	59.1%
EBIT / Interest Expense	2.2x	4.5x	4.0x	7.5x	8.2x
Total Debt / EBITDA	3.5x	2.0x	1.8x	1.6x	1.7x
Altman Z-Score	2.8x	4.6x	4.3x	4.7x	3.2x
Margin Analysis					
Gross Profit Margin	22.6%	23.3%	21.8%	27.2%	40.8%
EBITDA Margin	5.5%	4.6%	3.9%	5.5%	20.7%
EBIT Margin	3.1%	2.7%	2.5%	3.2%	15.3%
Net Profit Margin	1.0%	1.2%	1.1%	0.9%	8.3%
Leverage FCF	1.9%	0.6%	1.0%	1.5%	8.2%

Source: Capital IQ, Inc.

IV. INDUSTRY OUTLOOK

Packaged Food and Meats Industry

- The Packaged Foods and Meats Industry group include commercial bakeries, consumable food packaging companies, and dairy manufacturers.
- The United States bakery industry consists of approximately 2,500 commercial bakeries, with combined annual revenue of $25.0 billion, and 6,000 small retail bakeries, with $3.0 billion of total revenue. Large companies include Hostess Brands (formerly Interstate Bakeries) and Flowers Foods, plus divisions of companies such as Sara Lee. The commercial side of the industry is highly concentrated and the 50 largest commercial bakers generate more than 80.0% of the revenue. The retail side of the industry is fragmented, as the typical baker operates just one facility.
- In the five years ending in 2015, IBISWorld forecasts industry revenue for the baked goods and other grocery wholesaling industry to decrease by 0.2% per year, with the majority of the decrease occurring until 2012. Additionally, revenue is forecasted to decrease 2.7% in 2010 in this industry.
- Consumption of bakery products is limited by the growth of the U.S. population, about 1 percent per year. Because this is a mature industry, the growth of individual bakers comes only at the expense of others. As customers like supermarket chains (including Wal-Mart) get bigger and have greater leverage with suppliers, small bakers find themselves squeezed by bigger producers that can negotiate nationwide contracts.
- The consumer price index for food, an indicator of bakery product values, increased 0.7% in June 2010 compared to the same month in 2009.
- The output for U.S. bakery and pasta products is forecast to grow at an annual compounded rate of 3 percent between 2009 and 2014.
- Total U.S. wholesale sales of nondurable goods, a potential measure of bakery products demand, increased 12.7% in May 2010 compared to the same month in 2009.
- In-store bakery sales increased over the year ended March 2010 in more than half of supermarket bakeries, based on a survey of industry executives in *Progressive Grocer*'s latest annual Bakery Operations Review. The report showed that more than half of respondents expect sales will continue to improve for the next three quarters. Nearly 40.0% predict sales will stay steady. Products showing sales growth include whole grain, whole wheat, and gluten-free items.
- The U.S. dairy products manufacturing industry consists of about 1,200 companies that have combined annual revenue of $90 billion. Major companies include Dean Foods, cooperatives such as Dairy Farmers of America and Land O'Lakes, and the U.S. subsidiaries of foreign companies such as Danon. The industry is concentrated, the 50 largest companies account for about 75% of revenue.

IV. INDUSTRY OUTLOOK

- Changes in consumer income drive demand for various types of dairy foods. The profitability of individual companies depends on efficient operations and marketing, as milk is a commodity product. There are few economies of scale in the manufacturing process, which is why small companies can effectively compete with large ones in local markets. The industry is capital-intensive: average annual revenue per employee is about $690,000.
- U.S. retail sales for food and beverage stores, a potential measure of dairy product sales, increased 2.4% in the first six months of 2010 compared to the same period in 2009.
- Total consumption of fluid milk in the U.S. has been flat for the past 10 years. Milk consumption per person decreased 20.0%, while consumption of some other dairy products increased. Each year, the average American consumer drinks 20 gallons of milk, compared to 50 gallons of soft drinks and 25 gallons of coffee.
- The output of U.S. dairy products manufacturing is forecast to grow at an annual compounded rate of 3.0% between 2009 and 2014.
- The Packaged Food and Meats industry group is mature and somewhat affected by current economic conditions. In addition, each company's profitability is primarily affected by increases in the prices of raw materials and commodities, such as milk and wheat, and their ability to pass-through raw material price increases to customers. Consolidation in the supermarket industry could have a material effect on the industry group as large chains decrease their dependence on outside dairy companies and bakeries.

Selected Financial Information of Ratios - Packaged Food & Meats Industry

U.S. Dollars in Millions

	Sara Lee Corp.	Dean Foods Co.	Packaged Food & Meats Industry Median	S&P 500 Median
Size				
Sales	$ 10,793.0	$ 11,712.9	$ 920.2	$ 7,212.9
Assets	8,836.0	7,779.0	633.8	11,772.5
Market Value of Equity ("MVE")	9,680.2	1,839.2	710.2	9,280.2
EBITDA	1,413.0	835.3	106.5	1,280.0
Enterprise Value	11,534.2	6,052.1	926.2	11,524.8
Growth				
Sales 3-year CAGR	-3.4%	3.4%	5.3%	3.1%
EBITDA 3-year CAGR	1.0%	-2.5%	9.2%	4.6%
Net Income 3-Year CAGR	0.1%	-7.3%	15.8%	2.0%
Leverage FCF	-19.2%	-33.6%	24.6%	12.1%
Total Assets	-9.1%	3.2%	4.9%	5.2%
Stock Price	-16.4%	245.4%	-9.1%	-19.3%
Short-Term Liquidity				
Current Ratio	0.5x	0.5x	1.9x	1.7x
Quick Ratio	0.8x	0.7x	0.9x	1.1x
Long-Term Solvency				
Total Debt / Equity	187.0%	297.5%	53.2%	53.7%
Total Debt / Capital	64.7%	74.6%	33.9%	33.7%
Total Liabilities / Total Assets	83.2%	81.6%	48.9%	59.1%
EBIT / Interest Expense	6.5x	2.5x	7.0x	8.2x
Total Debt / EBITDA	2.0x	5.1x	2.0x	1.7x
Altman Z-Score	2.9x	2.1x	3.3x	3.2x
Margin Analysis				
Gross Profit Margin	38.0%	26.4%	32.6%	40.8%
EBITDA Margin	13.1%	7.1%	11.5%	20.7%
EBIT Margin	8.9%	4.8%	8.8%	15.3%
Net Profit Margin	4.5%	1.7%	4.8%	8.3%
Leverage FCF	4.5%	0.3%	3.8%	8.2%

Source: Capital IQ, Inc.

IV. INDUSTRY OUTLOOK

Environmental and Facilities Services Industry

- The U.S. waste management industry includes about 20,000 companies with combined annual revenue of approximately $75 billion. Major companies include Waste Management, Republic Services, and Waste Connections. The industry is highly concentrated: the eight largest companies account for nearly half of the industry's total annual revenue.
- The value of U.S. nonresidential construction spending, a demand indicator for waste management services, decreased 17.3% in the first five months of 2010 compared to the same period in 2009.
- Total U.S. retail sales, a potential measure of demand for waste management services, increased 6.5% in the first six months of 2010 compared to the same period in 2009.
- Electronics, paper, and plastic bag recycling all saw marked volume increases in 2009. Electronics recycling programs and paper recycling rose 8% and 10%, respectively, compared to a year earlier, while plastic bag recycling increased 28% since 2005. The proliferation of electronics recycling programs as well as growing consumer awareness of them helped contribute to the rise in that segment's overall recycling rates, according to the National Center for Electronics Recycling ("NCER"). Meanwhile, growth in paper and plastic bag recycling reached an all-time high in 2009.
- The waste disposal industry, and landfill operations in particular, are subject to rigorous EPA, state, and local regulations, especially regarding possible groundwater pollution. Because landfills are considered undesirable, some states and cities try to restrict their expansion and forbid waste imports from other states. Many state and local governments claim the right to direct the flow of waste collected in their jurisdiction to specific facilities for processing and disposal, so-called "flow-control."
- Waste collectors use specialized trucks and equipment and landfill operators have high initial costs for land and site preparation. As a result, many waste management companies have substantial amounts of debt, exposing them to interest rate risk.
- The output of U.S. sanitary and water services is forecast to grow at an annual compounded rate of 5% between 2009 and 2014.
- The U.S. waste management industry is a mature industry that is not highly dependent on the strength of the U.S. economy. Despite the challenging economic environment, most companies in this industry performed well during 2009 due in large part to the indispensable nature of their services.

Selected Financial Information of Ratios - Environmental Facilities & Services

U.S. Dollars in Millions

	Republic Services, Inc.	Environmental Facilities & Services Industry Median	S&P 500 Median
Size			
Sales	$ 8,096.6	$ 453.9	$ 7,212.9
Assets	19,571.4	336.9	11,772.5
Market Value of Equity ("MVE")	11,390.0	151.4	9,280.2
EBITDA	2,459.3	43.0	1,280.0
Enterprise Value	18,453.8	310.7	11,524.8
Growth			
Sales 3-year CAGR	37.3%	8.3%	3.1%
EBITDA 3-year CAGR	42.4%	8.9%	4.6%
Net Income 3-Year CAGR	10.1%	4.7%	2.0%
Leverage FCF	25.6%	34.1%	12.1%
Total Assets	64.3%	12.0%	5.2%
Stock Price	76.9%	-32.2%	-19.3%
Short-Term Liquidity			
Current Ratio	0.5x	1.6x	1.7x
Quick Ratio	0.4x	1.1x	1.1x
Long-Term Solvency			
Total Debt / Equity	92.6%	42.5%	53.7%
Total Debt / Capital	48.1%	29.2%	33.7%
Total Liabilities / Total Assets	60.7%	53.1%	59.1%
EBIT / Interest Expense	2.7x	5.5x	8.2x
Total Debt / EBITDA	2.9x	1.8x	1.7x
Altman Z-Score	1.3x	2.9x	3.2x
Margin Analysis			
Gross Profit Margin	41.2%	29.7%	40.8%
EBITDA Margin	30.4%	9.9%	20.7%
EBIT Margin	18.9%	7.2%	15.3%
Net Profit Margin	7.2%	2.6%	8.3%
Leverage FCF	7.6%	6.8%	8.2%

Source: Capital IQ, Inc.

Section V

Employers' Financial Analysis

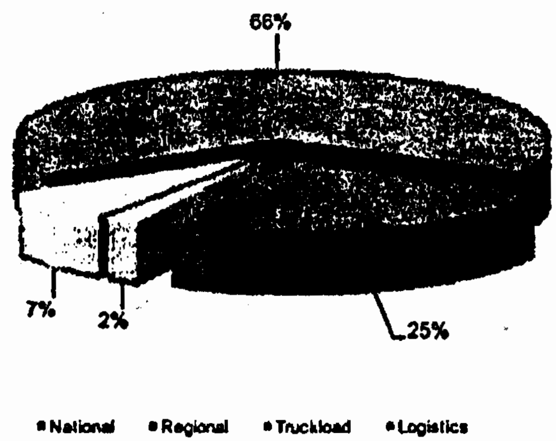
V. Employers' Financial Analysis

YRC Worldwide

Company Overview

- YRC offers its clients a comprehensive suite of services for the shipment of industrial, commercial and retail goods domestically and internationally. As of December 31, 2009, YRC had 11,704 owned tractors, 1,239 leased tractors, 50,083 owned trailers, and 5,244 leased trailers. The Company was founded in 1924 and is headquartered in Overland Park, Kansas.
- YRC is structured into four divisions: (1) national; (2) regional; (3) truckload; and (4) logistics. The following chart illustrates the breakdown of YRC's 2009 revenue by division.

YRC Revenue by Division for Fiscal 2009



Source: YRC, Inc. records.

- Based on information provided by the Central States Plan, YRC currently has an unfunded withdrawal liability of $6.1 billion compared to a current market capitalization of under $300 million.
- In their report dated March 16, 2010, YRC's independent public accounting firm stated that YRC's consolidated financial statements were prepared assuming it would continue as a going concern; however, due to significant declines in operations, cash flows and liquidity, YRC's auditors raised substantial doubt about YRC's ability to continue as a going concern.

V. EMPLOYERS' FINANCIAL ANALYSIS

- In light of recent operating results, YRC has satisfied short term liquidity needs through a combination of borrowings under credit facilities, proceeds from asset sales, sale/leaseback financing transactions, issuances of common stock and notes and an income tax refund from the I.R.S. In an effort to further manage liquidity, YRC also instituted the deferral of pension plan payments and certain interest payments and other fees. In August 2009, the employees in most of YRC's unions who are represented by the IBT ratified a modification to their collective bargaining agreement to implement a 15% wage reduction and a temporary cessation to union multiemployer pension funds. The wage reduction and the temporary pension contribution cessation have improved YRC's liquidity position; however, the temporary pension contribution cessation ends at the end of 2010. Based on expected levels of employment in 2011, YRC estimates that it will contribute approximately \$25 million to \$30 million per month to multiemployer pension funds in 2011.

Financial Statement Analysis

Balance Sheet

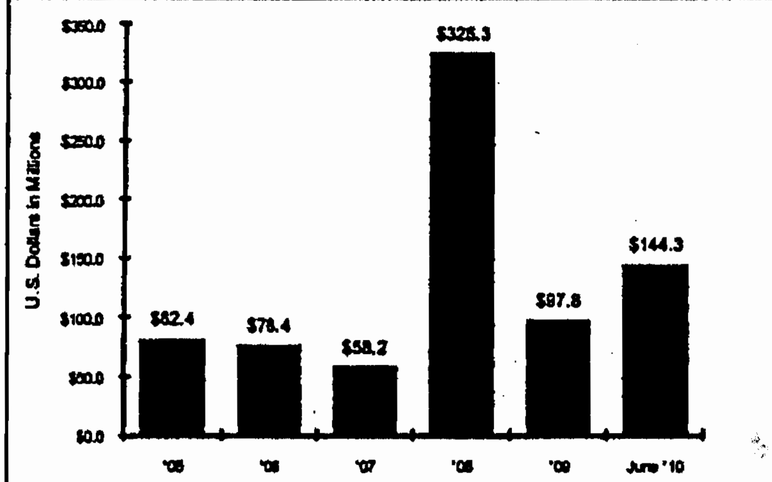
Cash and Cash Equivalents Balance

- Cash and cash equivalents as of December 31, 2008 was $267.1 million higher than as of December 31, 2007. This increase was due to positive cash flow generated from operations ($219.8 million) and cash raised through financing activities ($134.2 million), primarily net additions of debt offset partially by net capital expenditures ($34.7 million) and the acquisition of Shanghai Jiayu Logistics Co. ("Jiayu") ($46.1 million).
- As of December 31, 2009, cash and cash equivalents declined to $97.8 million as YRC lost $378.3 million from operations. The impact on cash from losses from operations was partially mitigated by selling certain assets and raising additional debt.
- As of June 30, 2010, YRC's cash and cash equivalents balance increased by $46.5 million over the prior six months as losses from operations ($14.5 million) were more than offset by the sale of YRC Logistics and net debt raised.

Debt

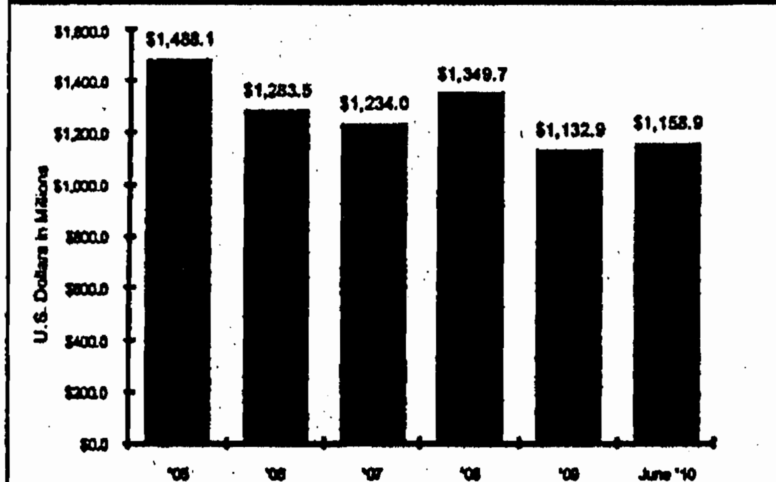
- YRC's debt increased as of December 31, 2008 by $115.7 million over debt levels as of December 31, 2007, due to the modification and expansion of its credit agreement in order to improve YRC's short-term liquidity.

Cash and Cash Equivalents Balance



Source: YRC 10Ks and 10Qs

Interest-Bearing Debt



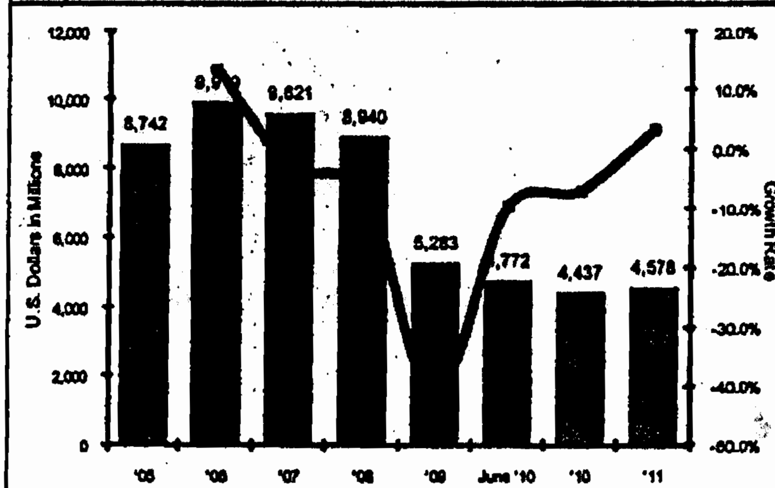
Source: YRC 10Ks and 10Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Income Statement

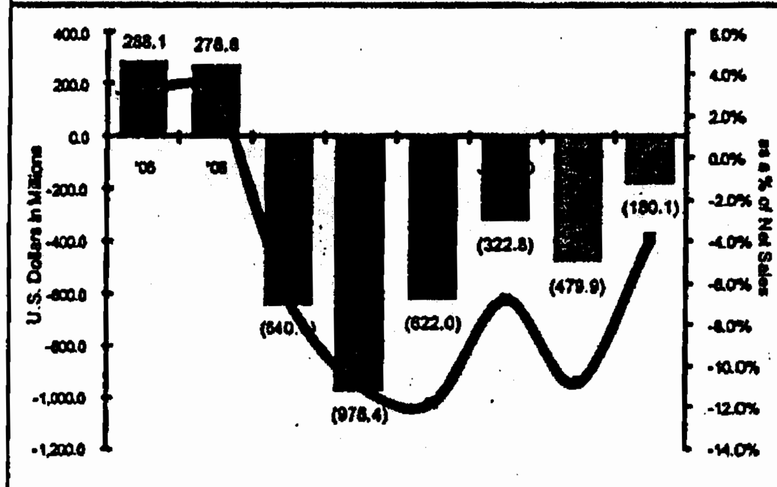
- Revenue declined 40.9% in fiscal 2009 as a result of lower volumes and yields as well as a decrease in fuel surcharges. Volumes were impacted by multiple factors, most notably lower demand for transportation services driven by a weak economy and business diversion due to customer concerns surrounding YRC financial stability. The declines in yields are a factor of excess capacity in the transportation sector resulting in increased competition for lower freight volumes.
- Net income decreased from $276.6 million in fiscal 2006 to negative $640.4 million in fiscal 2007 due to deteriorating economic conditions and YRC's above industry cost structure. YRC's net income remained negative from 2007 through the LTM period as economic conditions in the macro economy and in the trucking and shipping industry deteriorated, despite YRC's attempts at cost reduction initiatives (i.e. reductions in force, reductions in wages, and reductions in service centers).
- Consensus analyst estimates expect YRC's revenue to decline in fiscal 2010 before recovering slightly in fiscal 2011. YRC is projected to generate losses over the next two years.

Net Sales



Source: YRC 10Ks and 10Qs

Net Income



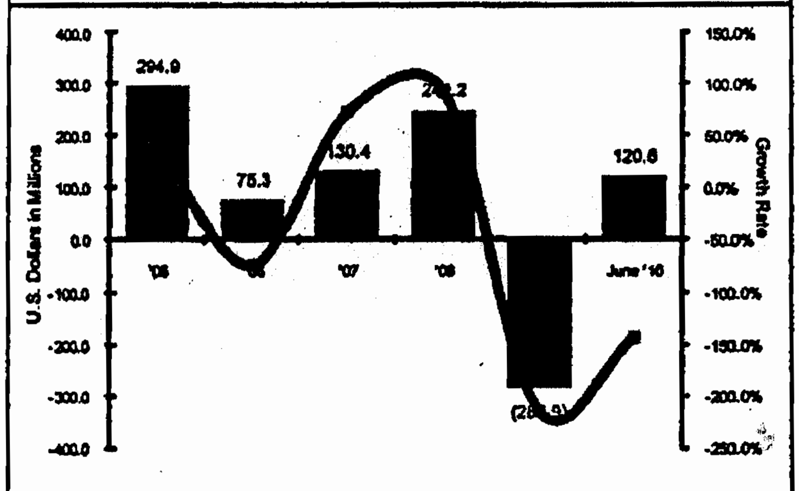
Source: YRC 10Ks and 10Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Cash Flow Statement Analysis

- Despite declining economic conditions in the second half of 2008, YRC generated positive unlevered free cash flow as a result of significant working capital inflows. In fiscal 2009, YRC lost $285.9 million of unlevered free cash flow due primarily to significant losses from operations due to poor economic conditions.
- Unlevered free cash flow became positive for the LTM period based mainly on reduced spending on capital expenditures and working capital inflows, which are not sustainable for purposes of generating long-term cash flow. In addition, it should be noted that YRC has approximately $1.2 billion in outstanding debt and over $350 million of unfunded pension and post-retirement liabilities as of June 30, 2010. Future debt repayments of pension and post-retirement benefits will be a significant drain on YRC's future unlevered free cash flows, including the estimated $273 million to $365 million of contributions to the Fund from 2010 to 2014.

Unlevered Free Cash Flow



Source: YRC 10Ks and 10Qs

Credit Analysis

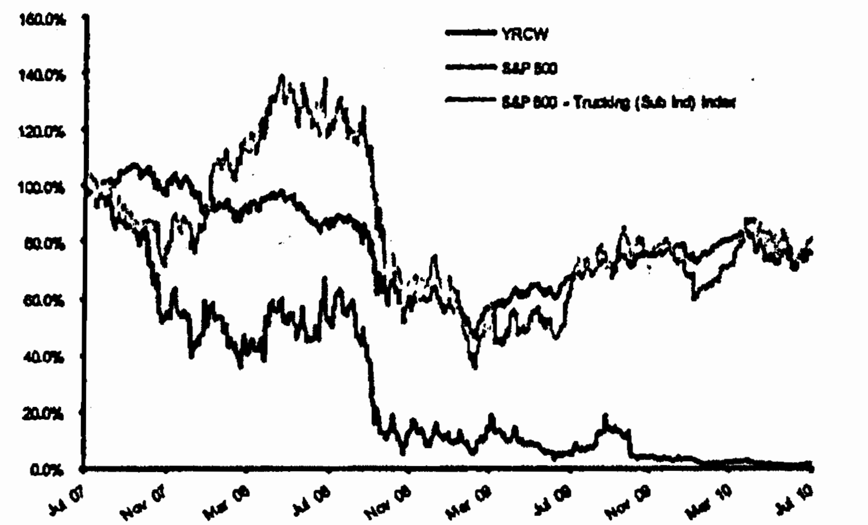
- According to credit ratings published by S&P, as of January 11, 2010, YRC possesses a credit rating of CCC-. This rating indicates that YRC is currently vulnerable to nonpayment, and is dependent on favorable business, financial, and economic conditions in order for YRC to meet its upcoming financial commitments on current obligations.
- The Altman Z-Score ("Z-Score") is a predictive model, created by Edward Altman, which incorporates various financial ratios in order to determine the likelihood of bankruptcy amongst companies. A lower Z-Score indicates increased odds for bankruptcy. Companies with Z-Scores above three are generally considered healthy, and therefore unlikely to enter bankruptcy. Z-Scores between 1.8 and 3 can be viewed as neutral Z-Scores. According to Capital IQ, YRC's Z-Score as of June 30, 2010 was 0.48. Based on YRC's Z-Score, YRC has a high probability of entering into bankruptcy within the next two years.

V. EMPLOYERS' FINANCIAL ANALYSIS

Relative Stock Performance

- YRC's stock price performance was below the S&P 500 and the S&P Trucking Index for the majority of the three-year period ended July 31, 2010 due to losses generated by YRC, investor uncertainty towards the financial condition of YRC, and the deterioration of the macroeconomic environment.
- The S&P 500 Trucking Index has outperformed the S&P 500 Index over the course of the three year period ended July 31, 2010. While both indexes have declined significantly, the S&P trucking index has declined 19.7%, while the S&P 500 Index has declined 24.3% during this period.
- During the three year period ended July 31, 2010, YRC's stock price has declined 98.8%, from $32.12 on July 31, 2007 to $0.40 on July 31, 2010.

Three-Year Relative Stock Performance



Source: Capital IQ, Inc.

V. EMPLOYERS' FINANCIAL ANALYSIS

Equity Research Analyst Reports

1.) Deutsche Bank – August 3, 2010

- *While we were pleased with the improvement in adjusted EBITDA, we are cautious of the increased pressure on YRC's liquidity, which forced the company to go back to its lenders to open up additional borrowing availability despite lowering its days sales outstanding by four days, year over year, to its lower level in more than four years.*

2.) RBC Capital Markets – August 3, 2010

- *In short, these results were driven by lower revenue year over year, which was offset by significant margin improvement. All in, we believe that even though the carrier has seen an improvement in operations it continues to lose market share. Additionally, the company has a significant amount of previously deferred wage/benefit and interest expenses that begin to come due in 2011 which it hasn't resolved yet.*
- *We are still of the belief that the company will struggle to see breakeven results and that it will have difficulty meeting their postponed obligations that begin to come due in 2011 (pension liability, bank interest and commitment fees). While we believe that conditions will modestly improve for the carrier we think that they still have significant hurdles ahead in negotiating extensions with the union and its lender group.*

3.) Deutsche Bank – September 30, 2009

- *In total, $105-123 million of quarterly cash payments (pension contributions and interest expense) could return next year if YRC is unable to reach an agreement with its lenders, the Teamsters, and the pension funds. While we believe it is unlikely that the full pension and cash interest obligations will snap back in 2011, the threat remains a significant overhang to the YRC story.*

V. EMPLOYERS' FINANCIAL ANALYSIS

Arkansas Best Corporation

Company Overview

- Arkansas provides motor carrier transportation (including LTL services) of general commodities throughout the United States. Arkansas competes with other large LTL companies, including Con-way Inc. and YRC as well as numerous other smaller long-haul and regional TL companies. Principal subsidiaries include ABF Freight Systems, Inc. ("ABF") and FleetNet America, LLC. ABF accounted for 94% of Arkansas' revenue in 2009. ABF provides services to over 41,000 communities in North America and Puerto Rico through 281 service centers, 10 of which also serve as distribution centers. Arkansas was founded in 1935, and is headquartered in Ft. Smith, Arkansas.
- Based on information provided by the Central States Plan, Arkansas currently has an unfunded withdrawal liability of $1.1 billion compared to a current market capitalization of approximately $400 million.

Financial Statement Analysis

Balance Sheet Analysis

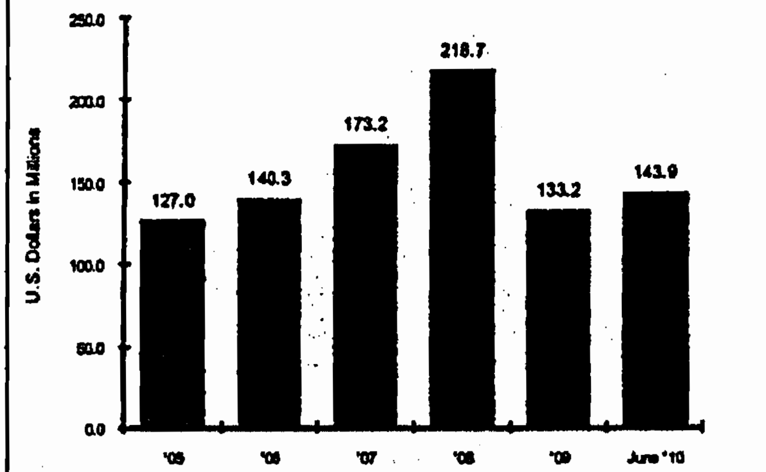
Cash and Short-Term Investments

- Cash and short-term investments steadily increased through December 31, 2008 due to cash flow from operations exceeding investing and financing activities.
- As of December 31, 2009, cash and short-term investments were $85.5 million lower than as of December 31, 2008. Approximately $48.6 million of the decline was related to an increase in restricted cash pledged as collateral for outstanding letters of credit in support of workers' compensation and third-party casualty claims liabilities. The remaining portion of the decline is partially attributable to the relatively low levels of cash flow from operations ($11.8 million) which was more than offset by $48.0 million of capital expenditures.
- As of June 30, 2010 cash and short-term investments increased by $10.7 million over the December 31, 2009 level as Arkansas generated $19.2 million in cash flow from operations, which was partially offset by debt repayments and capital expenditures.

Interest-Bearing Debt

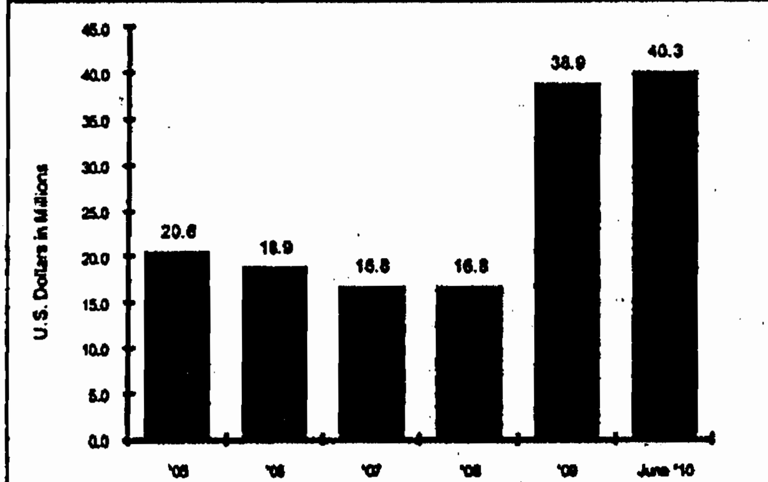
- Interest-bearing debt increased from $16.8 million as of December 31, 2008 to $38.9 million as of December 31, 2009, due primarily to new capital leases related to the purchase of new equipment.

Cash and Short-Term Investments



Source: Arkansas Best Corp. 10-Ks and 10-Qs

Interest-Bearing Debt



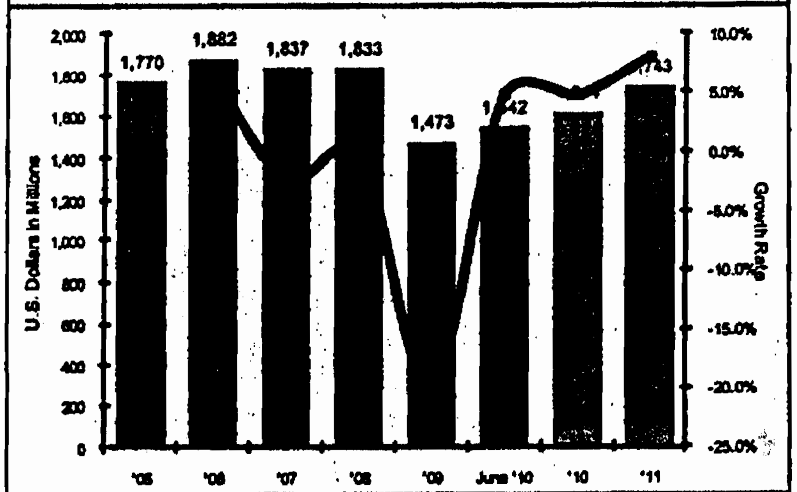
Source: Arkansas Best Corp. 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Income Statement Analysis

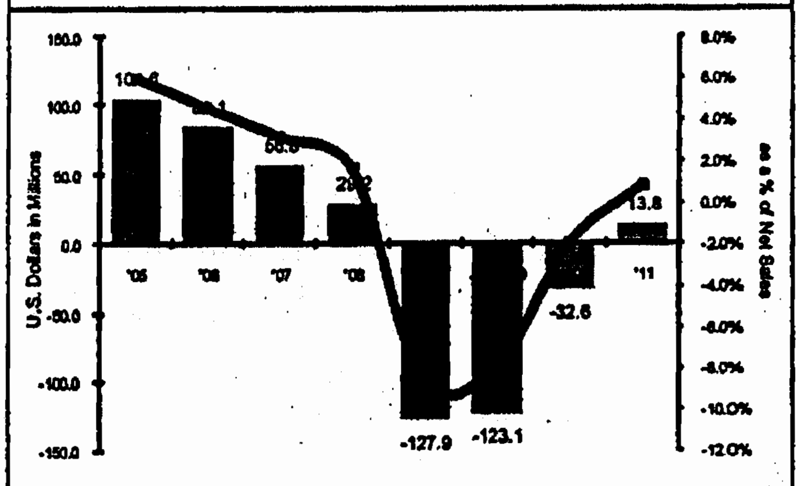
- Revenue declined 19.6% from $1.8 billion in fiscal 2008 to $1.5 billion in fiscal 2009. This decline in revenue reflects decreases in tonnage levels and changes in revenue per hundredweight, including fuel surcharges. The unfavorable economic conditions have adversely affected the business activity of ABF's customers, which has led to reduced customer orders and the inability of ABF to secure adequate pricing for its services.
- Net income declined from $29.2 million in fiscal 2008 to negative $127.9 million in fiscal 2009. The decline in net income in 2009 is primarily attributable to the impact of a $64.0 million noncash goodwill impairment charge incurred in 2009. In addition, the decrease in net income can also be attributed to the recessionary economic environment and its impact on tonnage levels and the increased competition in the shipping and trucking industry.
- Consensus analyst estimates expect Arkansas revenue to grow modestly over the next two years and to begin generating positive net income in fiscal 2011.

Net Sales



Source: Arkansas Best Corp. 10-Ks and 10-Qs

Net Income



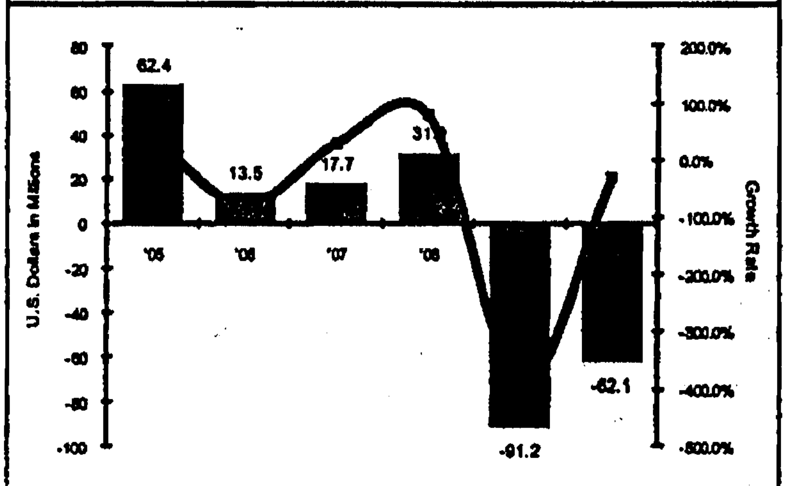
Source: Arkansas Best Corp. 10-Ks and 10-Qs

V. Employers' Financial Analysis

Cash Flow Analysis

- ABF's unlevered free cash flow decreased from $31.9 million in fiscal year 2008 to negative $91.2 million in fiscal 2009 and negative $62.1 million as of the LTM period ending June 30, 2010, due primarily to the challenging economic conditions.
- Unlevered free cash flow became negative in fiscal 2009 and increased slightly, but still remained negative in the LTM period based mainly on reduced spending on capital expenditures and working capital inflows, which is not sustainable in the long-term. It should be noted that ABF has approximately $40.3 million in outstanding debt and $71.6 million in pension and post-retirement liabilities as of June 30, 2010. Future debt repayments of pension and post-retirement benefits will be a significant drain on ABF's future unlevered free cash flows, including the estimated $61 million to $81 million of contributions to the Fund from 2010 to 2014.

Unlevered Free Cash Flow



Source: Arkansas Best Corp. 10-Ks and 10-Qs

Credit Analysis

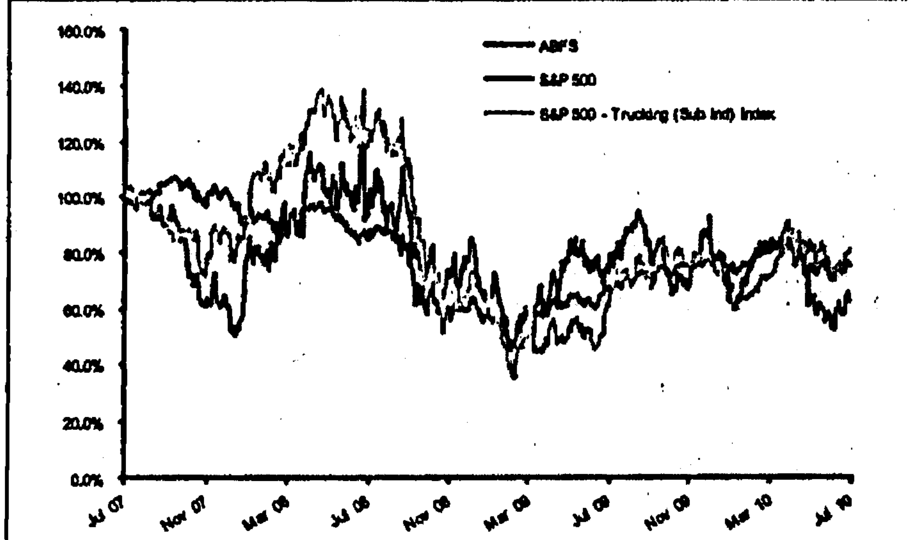
- According to Capital IQ, ABF's Z-Score as of June 30, 2010 was 3.01. Based on ABF's Z-Score, ABF has a low probability of entering into bankruptcy within the next two years.

V. EMPLOYERS' FINANCIAL ANALYSIS

Relative Stock Performance

- ABF's stock price performance was slightly better than that of the S&P 500 and performed similar to the S&P Trucking Index for the majority of the three-year period ended July 31, 2010. The recent performance of ABF can be attributed to overall investor uncertainty towards the financial condition of companies that participate in the trucking sector and the deterioration of the macroeconomic environment.
- During the three year period ended July 31, 2010, Arkansas' stock price has declined 37.4%, from $36.03 on July 31, 2007 to $22.57 on July 31, 2010.

Three-Year Relative Stock Performance



Source: Capital IQ, Inc.

V. EMPLOYERS' FINANCIAL ANALYSIS

Equity Research Analyst Reports

1.) Stern Agee – July 22, 2010

- *In our opinion, this is the point which paralyzes potential investors in ABFS – the lack of vision presented by management regarding what it intends to do in order to improve margins in the absence of the IBT concessions or MEPA-related legislation.*
- *Competition that is surviving is more formidable. We believe that once the YRC situation is resolved one way or the other, industry pricing should settle down, but the competitors that remain are well capitalized, and in some cases, are larger with greater financial resources than ABFS.*

2.) Deutsche Bank – July 22, 2010

- *Shares of ABFS are down 29.0% YTD (versus the S&P 500, which is down 4.1%). ABFS' shares have lagged both the broader market and its LTL peers (net ABFS, which are down 5.6%) given its cost structure disadvantage. Our $24 PT is based on 10x normalized EPS of $2.40/share. Hold-rated as we see a balanced risk/reward equation at current levels. Upside risks include wage and/or benefit concessions from the Teamsters, better-than-expected tonnage growth, and multiemployer pension relief. Downside risks include worse-than-expected LTL pricing, higher-than-average costs structure, and a double dip.*

V. EMPLOYERS' FINANCIAL ANALYSIS

Allied Systems Holdings, Inc.

Company Overview

- Allied Systems Holdings, Inc. ("Allied") is a vehicle-hauling company which provides logistics and other support services to the automotive industry. The company, through its subsidiaries, offers vehicle delivery services, including the transportation of new, pre-owned, and off-lease automobiles, sport-utility vehicles, and light trucks to dealers from plants, rail ramps, inland distribution centers, ports, and auctions; and yard management services, including vehicle rail-car loading and unloading services. Allied also provides vehicle distribution and transportation support services to pre-owned and new vehicle markets, and other segments of the automotive and car rental industries.
- Allied also provides trucking services to international automotive makers such as Mazda and Nissan. Approximately 97% of Allied's revenue is derived from hauling motor vehicles.
- Allied is owned by the investment group Yucaipa Companies. Yucaipa Companies took control of Allied as a result of a restructuring that occurred under Chapter 11 bankruptcy protection in 2007. Allied emerged from Chapter 11 bankruptcy protection in May 2007.
- At December 31, 2009, Allied had two defined benefit plan in which the fair value of the plan assets was less than the benefit obligation. The fair value of the plan assets and the benefit obligation were $40.9 million and $55 million, respectively. During 2010, Allied expects to contribute approximately $176,000 to its defined benefit pension plans and $868,000 to its other postretirement plans.
- A substantial number of Allied's employees are covered by union-sponsored, collectively bargained, multiemployer health and welfare benefit plans. Allied contributed and charged to expense approximately $25.7 million and $34.4 million for the years ended December 31, 2009 and December 31, 2008, respectively, in connection with these plans.
- Allied accounted for approximately 3.4% of the pension contributions to the Central States Plan in fiscal 2009. Based on information provided by the Central States Plan, Allied currently has an unfunded withdrawal liability of $712 million.

Financial Statement Analysis

Balance Sheet Analysis

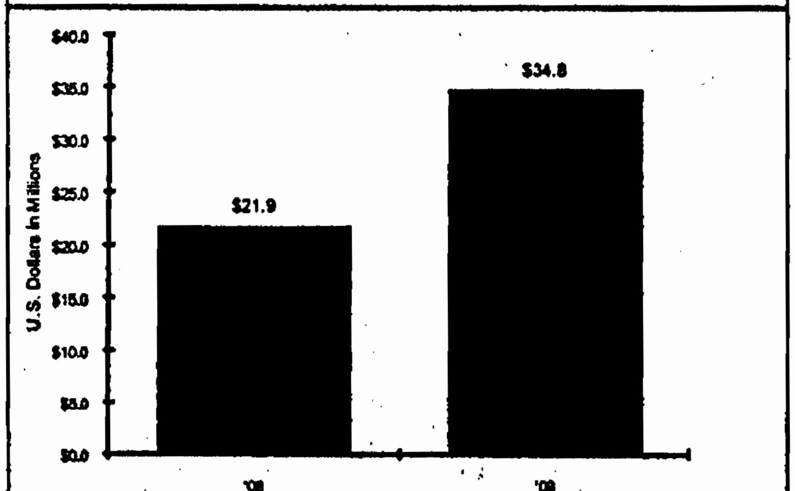
Cash and Cash Equivalents

- Allied's cash and equivalents balanced increased from $21.9 million as of December 31, 2008 to $34.8 million as of December 31, 2009 as proceeds from senior debt exceeded operating lease obligations and investing activities.

Interest-Bearing Debt

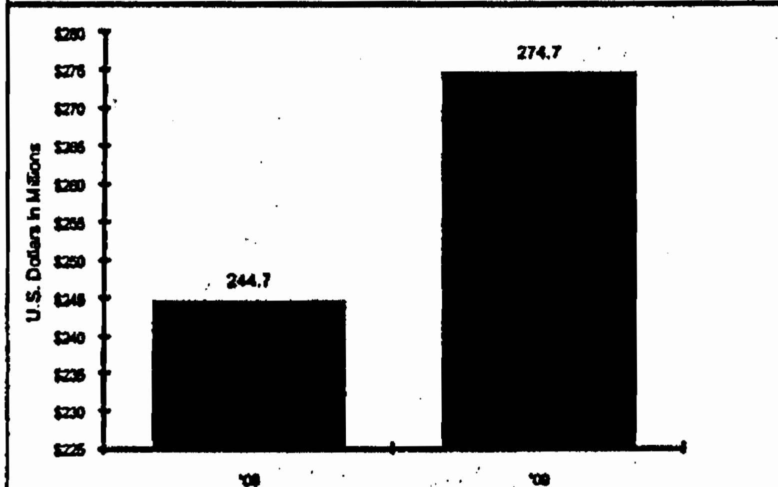
- Allied's interest-bearing debt increased from $244.7 million as of December 31, 2008 to $274.7 million as of December 31, 2009, to cover operating losses, fund capital expenditures and insurance deposits, and repay insurance financing arrangements.

Cash and Cash Equivalents Balance



Source: Allied Systems Holdings, Inc. Audited Financial Statements

Interest-Bearing Debt



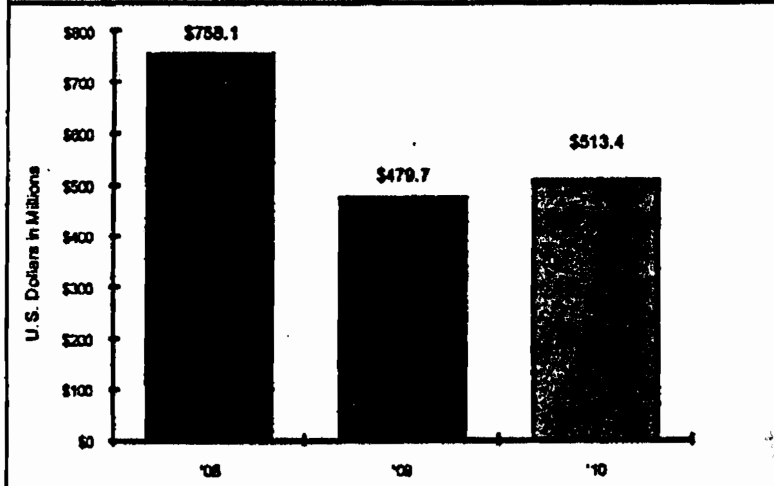
Source: Allied Systems Holdings, Inc. Audited Financial Statements

V. Employers' Financial Analysis

Income Statement Analysis

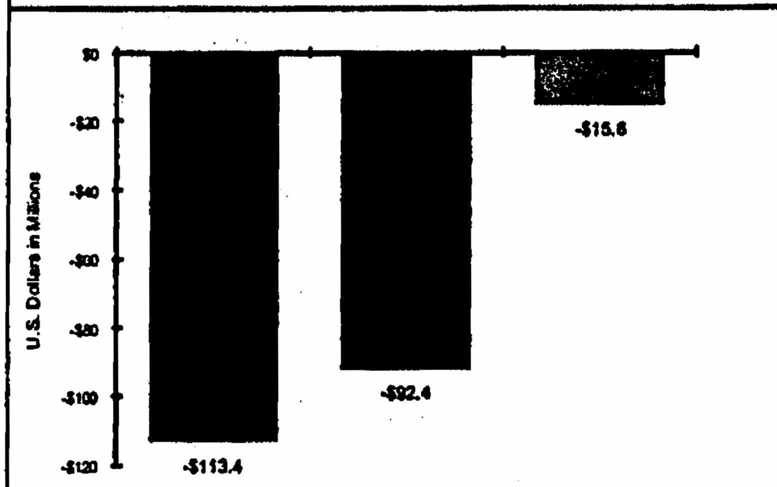
- Net sales decreased 36.7% in fiscal 2009 due to a steady decline in vehicle production in North America, as the number of vehicles delivered by Allied decreased from 6.0 million units for the year ended December 31, 2008 to 4.2 million units for the year ended December 31, 2009.
- Net sales are estimated to increase 7.0%, from $479.7 million in fiscal 2009 to $513.4 million in fiscal 2010 on 4.5 million units hauled.
- Allied estimates that the extended production shutdowns of the GM and Chrysler facilities adversely affected gross profit (loss) by $7.8 million.
- Allied management continues to work to reduce variable and fixed costs in response to current economic conditions. In order to improve liquidity during 2009, Allied took the following actions, which include but are not limited to:
  - Reduction in its non-bargaining salaried workforce;
  - Implementation of non-paid furloughs for non-bargaining, salaried employees in North America;
  - Deferral of capital expenditures for its fleet of Rigs; and
  - Renegotiation of its IBM IT support contract reducing these costs by approximately $4.8 million for the year ending December 31, 2009.
- Allied's net income (loss) improved slightly in fiscal 2009 due primarily to cost savings implemented by management in fiscal 2009. In 2008 and 2009, approximately $59.9 million and $51.9 million of expenses were non cash asset impairment charges.
- Allied estimates that net income (loss) will increase from negative $92.4 million in fiscal 2009 to negative $15.6 million in fiscal 2010.

Net Sales



Source: Allied Systems Holdings, Inc. Audited Financial Statements

Net Income (Loss)

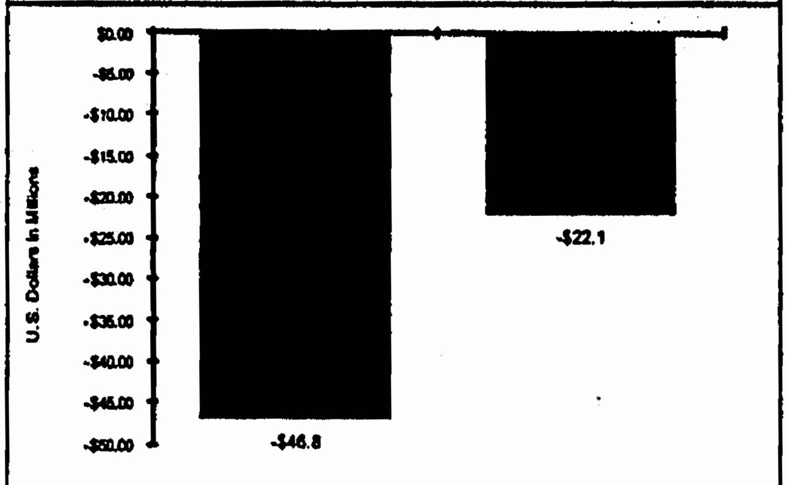


Source: Allied Systems Holdings, Inc. Audited Financial Statements

Cash Flow Analysis

- Allied's unlevered free cash flow increased from negative $46.8 million in fiscal year 2008 to negative $22.1 million in fiscal 2009, due primarily to negative cash flow generated from operating activities in fiscal 2009.

Unlevered Free Cash Flow



Source: Allied Systems Holdings, Inc. Audited Financial Statements

V. EMPLOYERS' FINANCIAL ANALYSIS

Jack Cooper Transport Company, Inc.

Company Overview

- Jack Cooper Transport Company, Inc. ("Jack Cooper") operates as an auto transport carrier in the United States. Jack Cooper offers transportation of new and pre-owned passenger vehicles, light trucks, and sport utility vehicles. The company also provides assistance for assembly plants, ports, railheads, delivery operation of pre-owned vehicles, or a single automobile move. Jack Cooper generated revenue from the intrastate and interstate transportation of vehicles from 22 terminals during 2009, located primarily in the Western, Midwestern and Southwestern United States. Jack Cooper extends unsecured credit to its customers, with the majority of credit (74%) extended to three customers (General Motors, Ford and Nissan) as of December 31, 2009.
- Jack Cooper is a participant in two multiemployer pension plans that provide benefits to certain employees covered by collective bargaining agreements. Jack Cooper paid contributions to the plans of $9.1 million for the year ended December 31, 2009. Jack Cooper was delinquent in funding certain obligations under two multiemployer pension plans, owing $10.3 million and $5.6 million as of December 31, 2009 and 2008, respectively.
- In 2009, Jack Cooper entered into a debt agreement with Central States Plan covering health, welfare and pension contributions owed by Jack Cooper for the months of November and December 2008 and January 2009, totaling approximately $7.2 million. Jack Cooper executed a promissory note and security agreement pledging certain tractors and trailers as collateral against this obligation. The promissory note is payable in twelve equal monthly payments commencing on August 31, 2009 and bears interest at the prime rate plus 2%.
- In addition to the amount owed to Central States under the note discussed above, Jack Cooper failed to make all of its required funding payments to Central States for the months of March through May of 2009. The amount of unpaid payments to Central States for this period amounted to approximately $4.3 million, increasing the total obligation to Central States to approximately $11.5 million plus accrued interest.
- During fiscal 2009, Jack Cooper incurred additional obligations for health, welfare and pension contributions to the Central States Plan. The total amount of unpaid contributions owed by Jack Cooper amounted to $13.3 million as of December 31, 2009. In consideration of the amounts owed to Central States whereby Jack Cooper agreed to pay $3.0 million and the remaining balance of its obligation of $10.3 million in 36 equal monthly installments of $318,884 (including interest at a rate of 7.5%) plus any interest in excess of 7.5% (based on the greater of 7.5% and prime plus 2%), if any.
- Jack Cooper accounted for approximately 2.0% of the pension contributions to the Central States Plan in fiscal 2009. Based on information provided by the Central States Plan, Jack Cooper currently has an unfunded withdrawal liability of $230 million.

V. EMPLOYERS' FINANCIAL ANALYSIS

Financial Statement Analysis

Balance Sheet Analysis

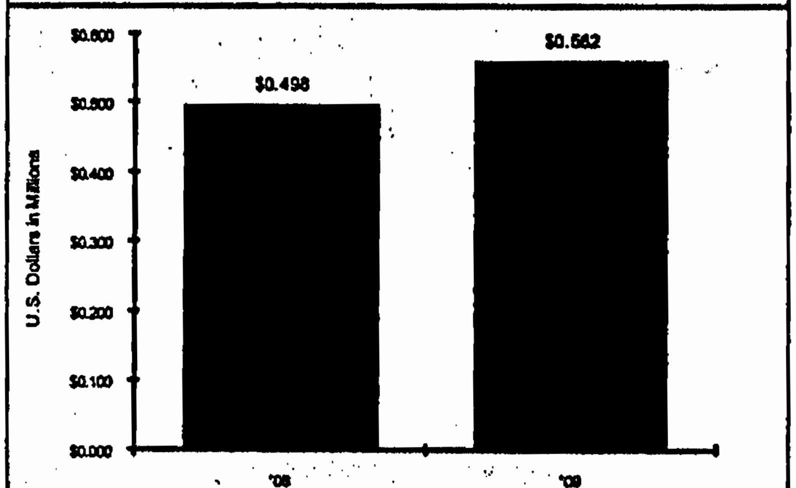
Cash and Cash Equivalents

- Jack Cooper's cash and equivalents balanced increased from $498,258 as of December 31, 2008 to $562,446 as of December 31, 2009.

Interest-Bearing Debt

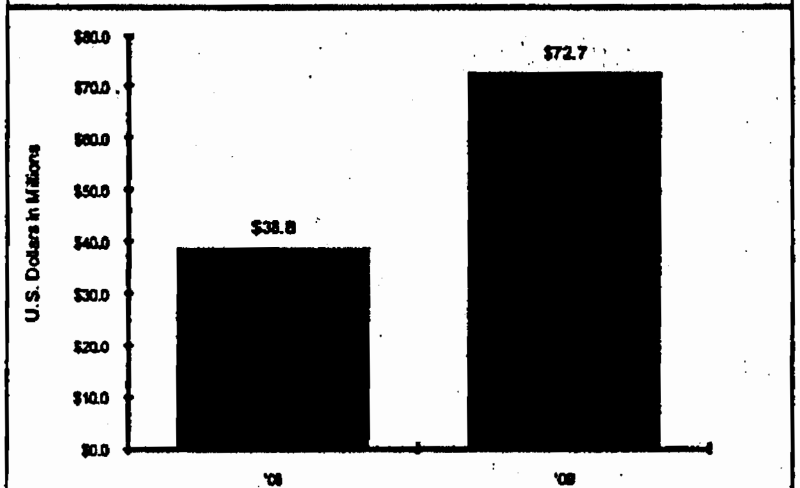
- Jack Cooper's interest-bearing debt increased from $38.8 million as of December 31, 2008 to $72.7 million as of December 31, 2009. Proceeds from the issuance of debt in fiscal 2009 were used to fund operating losses, purchase property and equipment, and to repay existing debt obligations.

Cash and Cash Equivalents Balance



Source: Jack Cooper Transport Company, Inc. Audited Financial Statements

Interest-Bearing Debt



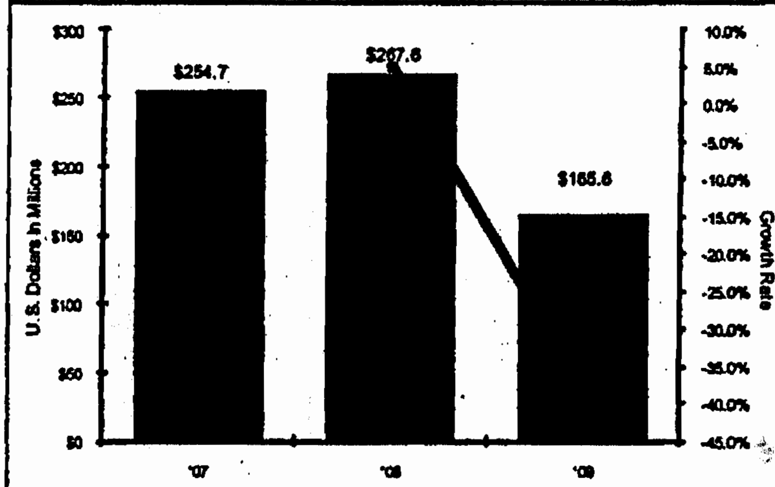
Source: Jack Cooper Transport Company, Inc. Audited Financial Statements

V. EMPLOYERS' FINANCIAL ANALYSIS

Income Statement Analysis

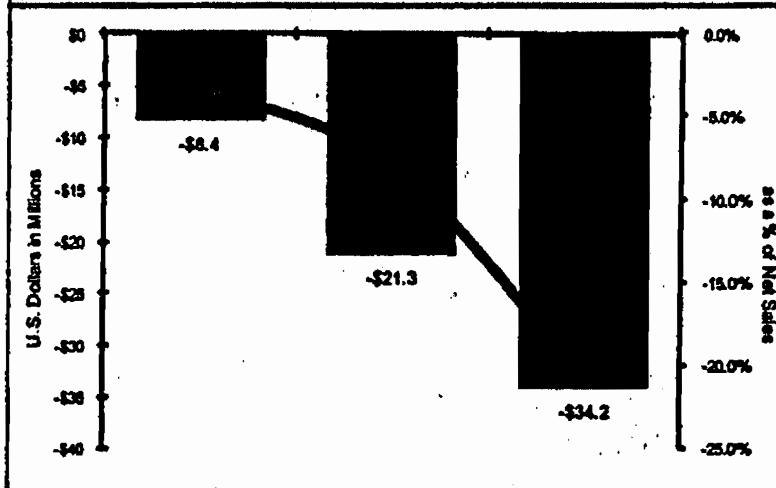
- Revenue decreased 38.1%, from $267.6 million as of December 31, 2008 to $165.6 million in the twelve month period ended December 31, 2009 due to a steady decline in vehicle production in North America.
- Jack Cooper's net income (loss) decreased from negative $21.3 million as of December 31, 2008 to negative $34.2 million in the twelve month period ended December 31, 2009, consistent with the decrease in revenue.

Net Revenues



Source: Jack Cooper Transport Company, Inc. Audited Financial Statements

Net Income (Loss)



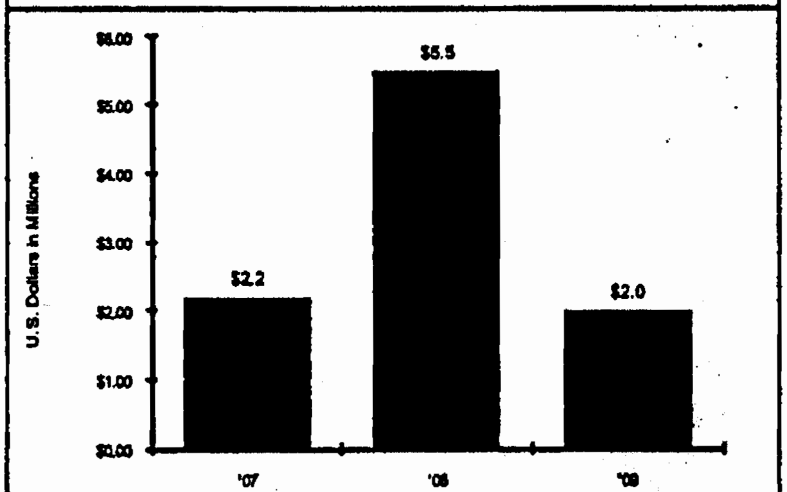
Source: Jack Cooper Transport Company, Inc. Audited Financial Statements

V. EMPLOYERS' FINANCIAL ANALYSIS

Cash Flow Analysis

- Jack Cooper's unlevered free cash flow decreased from $2.2 million in fiscal year 2007 to $2.0 million in the twelve-month period ended December 31, 2009, due primarily to negative cash flow generated from operating activities in fiscal 2009. The increase in unlevered free cash flow in 2008 was primarily due to the working capital inflows incurred by Jack Cooper in 2008.

Unlevered Free Cash Flow



Source: Jack Cooper Transport Company, Inc. Audited Financial Statements

V. EMPLOYERS' FINANCIAL ANALYSIS

SuperValu, Inc.

Company Overview

- SuperValu is one of the largest grocery store companies in the United States. The company operates in two segments: (1) retail food and (2) supply chain services. Retail food operations, which account for approximately 78.0% of revenue, include three retail food store formats: (1) combination stores; (2) food stores; and (3) limited assortment food stores. Supply chain services operations, which account for approximately 22.0% of revenue, include sales to affiliated food stores, mass merchants and other customers, and logistics arrangements.
- SuperValu conducts its retail food operations through a total of 2,349 traditional and hard-discount retail food stores, located throughout the United States. SuperValu's supply chain services network spans 49 states and serves as the primary grocery supplier to approximately 1,940 stores of independent retail customers, in addition to SuperValu's own stores, as well as serving as secondary grocery supplier to approximately 550 stores of independent retail customers.
- In fiscal year 2006, SuperValu acquired Albertson's, Inc. ("Albertson's") for approximately $15.75 billion. The purchase price included cash, stock, and the assumption of debt. This strategic acquisition increased SuperValu's geographical footprint within the supermarket industry.

V. EMPLOYERS' FINANCIAL ANALYSIS

Financial Statement Analysis

Balance Sheet Analysis

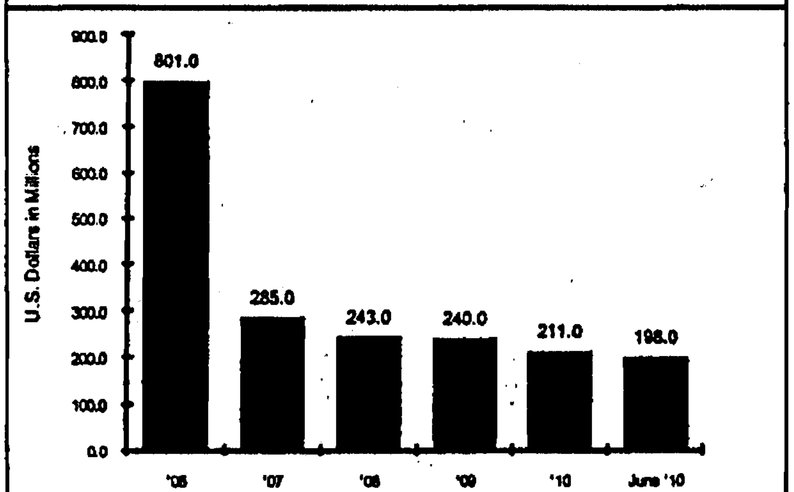
Cash and Cash Equivalents

- SuperValu's cash and equivalents balanced decreased materially from $801.0 million as of February 25, 2006 to $285.0 million as of February 24, 2007, as a result of the acquisition of Albertson's.

Interest-Bearing Debt

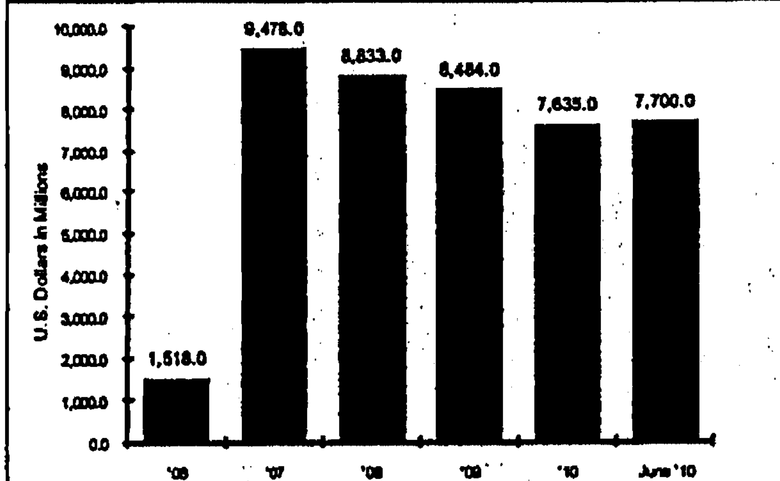
- SuperValu's interest-bearing debt increased materially from $1.5 billion as of February 25, 2006 to $9.5 billion as of February 24, 2007, as a result of the acquisition of Albertson's.

Cash and Cash Equivalents Balance



Source: SuperValu's 10-Ks and 10-Qs

Interest-Bearing Debt

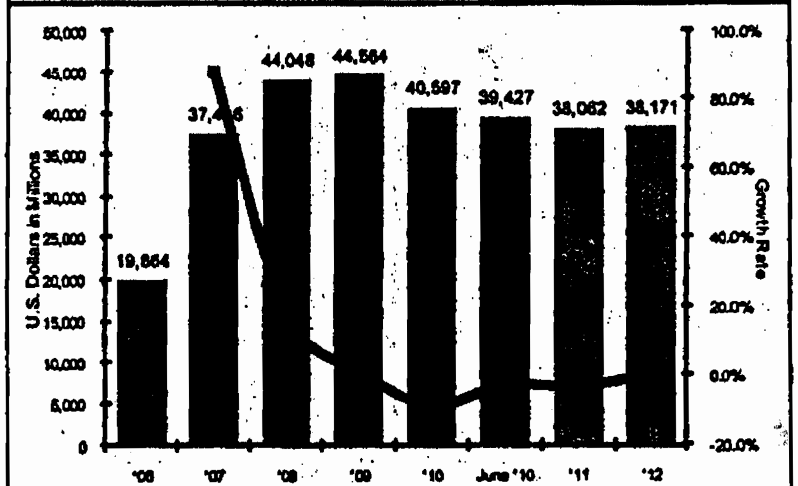


Source: SuperValu's 10-Ks and 10-Qs

Income Statement Analysis

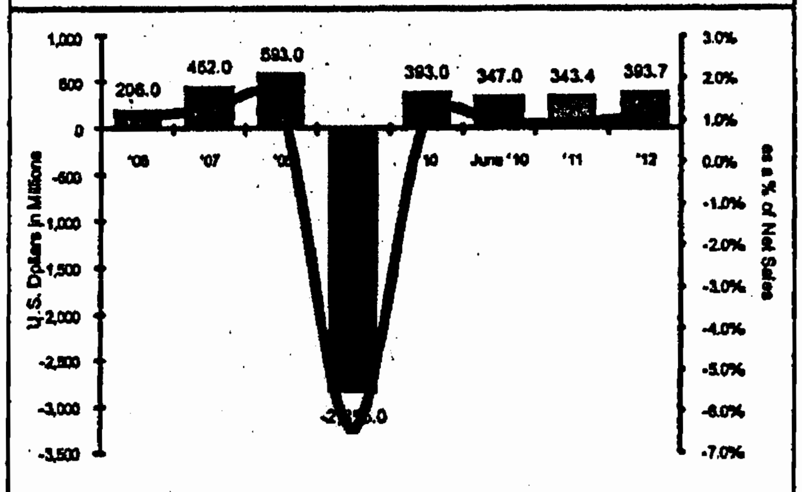
- Revenue in fiscal year 2006 did not reflect revenue associated with the Albertson's acquisition, which occurred in fiscal 2007.
- Revenue decreased 8.9% in fiscal 2010 due to negative same store sales growth, one less week of sales in fiscal 2010, customer attrition in the distribution business, and retail store closures, which were partially offset by new store openings. The decrease in sales in the LTM period reflect decreased sales in both the retail food and supply chain services segments, the challenging economic environment, heightened competitive activity, and the impact of a labor dispute.
- SuperValu's net income decreased significantly in fiscal 2009 due primarily to $3.5 billion of goodwill and asset impairment charges, costs related to the closure of non-strategic stores, settlement costs for a pre-acquisition Albertson's litigation matter, and other acquisition-related costs incurred in fiscal 2009.
- Consensus analyst estimates expect revenue to decline slightly in fiscal 2011 and recover slightly in fiscal 2012. Net income is projected to remain relatively stable in fiscal years 2011 and 2012.

Net Sales



Source: SuperValu's 10-Ks and 10-Qs

Net Income



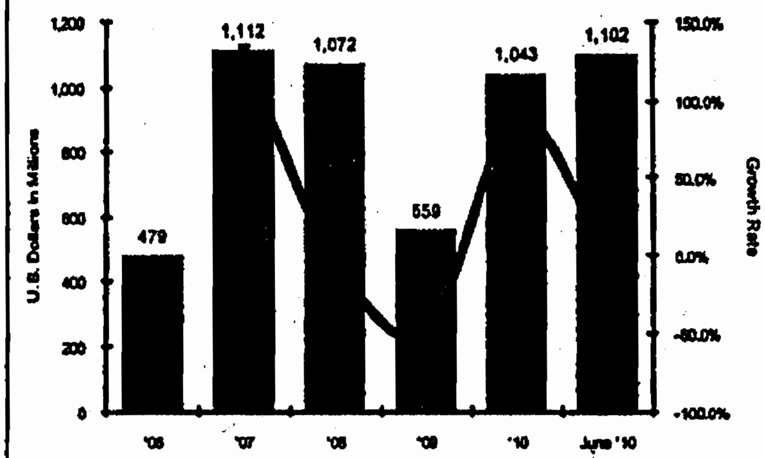
Source: SuperValu's 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Cash Flow Analysis

- SuperValu's unlevered free cash flow increased from $559 million in fiscal year 2009 to $1.0 billion in fiscal 2010, due primarily to positive cash flow generated from operating activities in fiscal 2010. Both SuperValu and Albertson's have been able to generate positive cash flow and the combined entity is expected to be able to continue generating positive cash flow in the future.
- Currently, SuperValu's outstanding debt balance of $7.7 billion is approximately 7.0x unlevered free cash flow.

Unlevered Free Cash Flow



Source: SuperValu's 10-Ks and 10-Qs

Credit Analysis

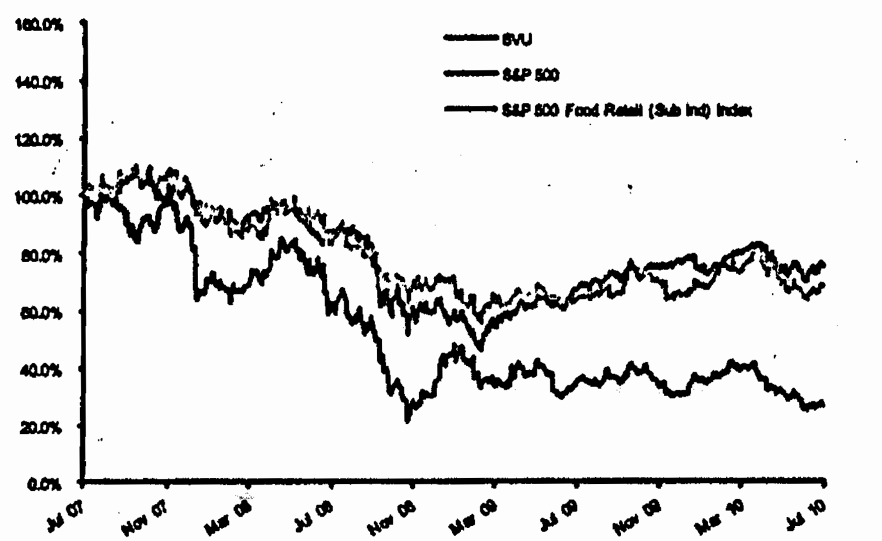
- According to credit ratings published by S&P, as of July 23, 2009, SuperValu possesses a credit rating of BB-. This rating indicates that SuperValu is less vulnerable in the near term than other lower-rated companies. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the company's inadequate capacity to meet its financial commitments.
- According to Capital IQ, SuperValu's Z-Score as of June 19, 2010 was 2.83. Based on SuperValu's Z-Score, SuperValu has a low probability of entering into bankruptcy within the next two years.

V. EMPLOYERS' FINANCIAL ANALYSIS

Relative Stock Performance

- SuperValu's stock price underperformed the S&P 500 and the S&P Food Retail Index for the majority of the three-year period ended July 31, 2010 due to a highly levered balance sheet as well as an unfavorable operating environment coupled with the challenging economic conditions which led to more price competition. During the three year period ended July 31, 2010, SuperValu's stock price has declined 72.9%, from $41.67 on July 31, 2007 to $11.28 on July 31, 2010.
- The food retail industry in general has experienced an unfavorable operating environment, intense pricing competition, and reduced margins as a result of a deflationary food pricing environment in the first half of 2010. However, an expected stabilizing economic environment and rising food inflation is expected to support margin expansion in the second half of 2010 for companies that operate in the food retail sector.
- The S&P 500 Food Retail Index has underperformed the S&P 500 Index over the course of the three year period ended July 31, 2010. While both indexes have declined significantly, the S&P Food Retail Index has declined 31.3%, while the S&P 500 Index has declined 24.3% during this period.

Three-Year Relative Stock Performance



Source: Capital IQ, Inc.

V. EMPLOYERS' FINANCIAL ANALYSIS

Equity Research Analyst Reports

1.) Deutsche Bank – July 27, 2010

- *Given the uncertain operating environment, negative ID sales trends, and uncertainty around the timing for new merchandising and marketing initiatives to gain traction, we are lowering our price target to $12 from $16...We believe the discount is warranted given the continuing uncertainty around the execution of SuperValu's new initiatives, recent ID sales weakness, challenging competitive/consumer environment, and highly-leveraged balance sheet.*

2.) Jeffries & Company, Inc. – July 28, 2010

- *SuperValu's 1Q results give some reason for cautious optimism in our minds, resulting from better margins, managerial improvement and hints at better store execution. Nevertheless, with still falling traffic and share losses, a true turnaround has clearly not commenced.*

V. EMPLOYERS' FINANCIAL ANALYSIS

Kroger Co.

Company Overview

- Kroger is one of the nation's largest grocery retailers, as measured by revenue, operating 2,470 supermarkets as of June 2010. In addition, Kroger also manufactures and processes food for sale by its supermarkets. Kroger operates several types of stores:
  - combination food and drug stores;
  - multi-department stores;
  - marketplace stores;
  - price-impact warehouse stores;
  - convenience stores;
  - fuel centers;
  - jewelry stores; and
  - food processing plants.
- Kroger is responsible for contributing to certain non-contributory defined benefit retirement plans and contributory defined contribution retirement plans for substantially all non-union employees and some union-represented employees as determined by the terms and conditions of collective bargaining agreements. However, Kroger's contribution to the Central States Plan accounts for less than 3.0% of the company's annual pension plan expenses.
- Kroger expects to contribute approximately $250 million to multiemployer pension plans in 2010, an increase from $233 million contributed to the multiemployer pension plans in 2009. In addition, Kroger expects meaningful increases in expense as a result of increases in multiemployer pension plan contributions over the next several years.

Financial Statement Analysis

Balance Sheet Analysis

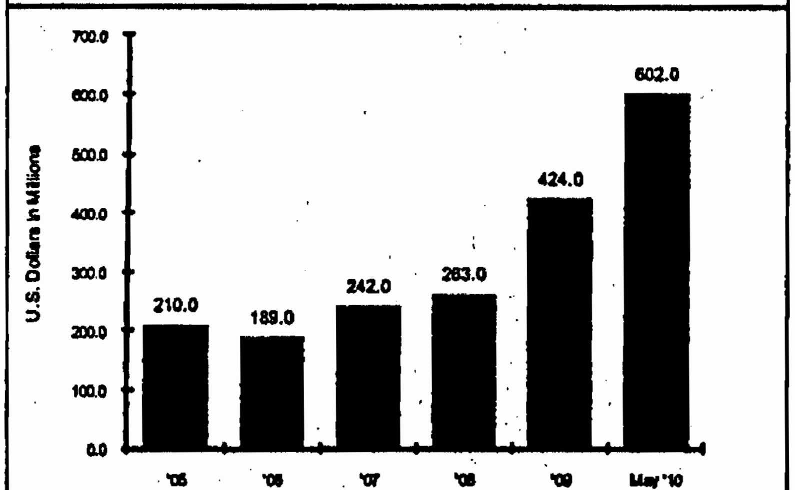
Cash and Cash Equivalents

- Kroger's cash and cash equivalents increased as of January 31, 2009 and as of January 30, 2010 due to increasing revenue and cash flows from operations.

Interest-Bearing Debt

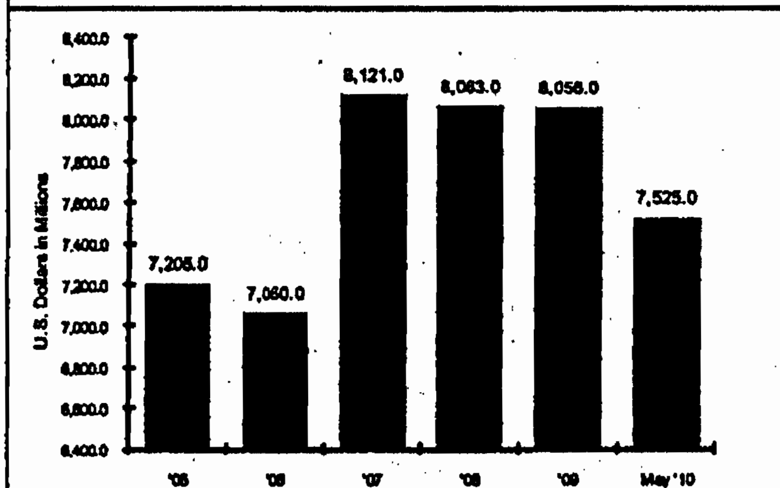
- Kroger's interest-bearing debt balance increased $1.1 million, to $8.1 billion as of February 2, 2008, from $7.1 billion as of February 3, 2007, primarily due to the issuance of $1.35 billion of senior notes and borrowings under Kroger's credit facility, offset by the repayment of $500 million of senior notes. In addition, Kroger repurchased $1.4 billion of common stock.
- As of May 22, 2010, total interest-bearing debt decreased from $8.1 billion as of January 30, 2010 to $7.5 billion as of May 22, 2010, due to the payment at maturity of senior notes.

Cash and Cash Equivalents Balance



Source: Kroger Co. 10-Ks and 10-Qs

Interest-Bearing Debt



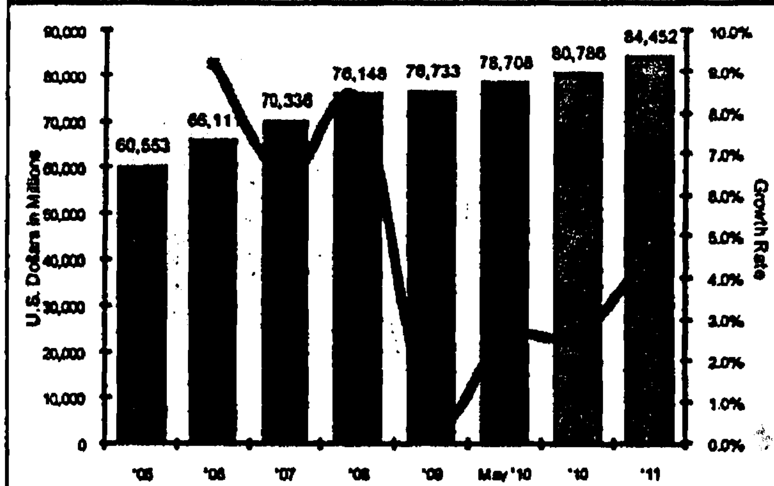
Source: Kroger Co. 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Income Statement Analysis

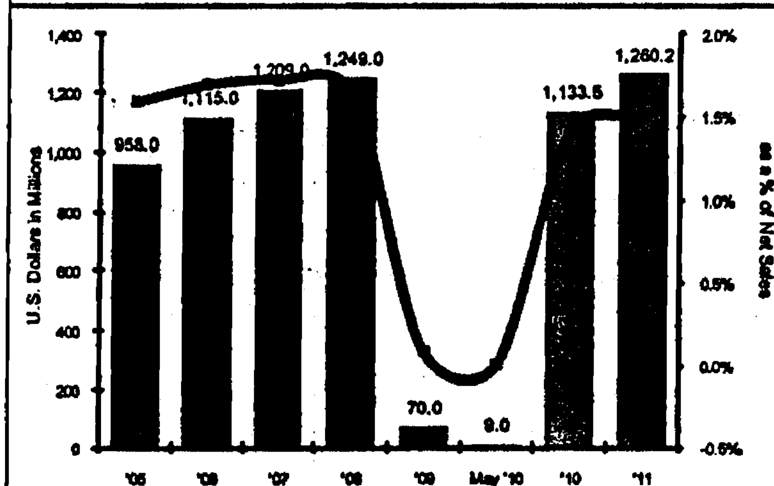
- Over the five year period ended in fiscal 2009, Kroger's revenue increased at a compounded annual growth rate ("CAGR") of 6.1%. The increase in revenue can be attributed to an increase in same stores sales growth and retail square footage. In the LTM period ended May 22, 2010, revenue increased from $76.7 billion in fiscal 2009 to $78.7 billion. The increase in revenue in the LTM period can be attributed to identical supermarket sales increases, higher average retail fuel prices, increased fuel gallon sales, and an overall estimated increase in product cost inflation, excluding fuel.
- Net income decreased significantly in fiscal 2009 due primarily to non-cash impairment charges totaling $1.2 billion related to the writing-off of the Ralphs division goodwill balance. Additionally, the decrease in net income in fiscal 2009 can also be attributed to lower retail fuel margins and decreased operating profit, partially offset by a LIFO charge of $49 million.
- Consensus analyst estimates project Kroger's revenue to continue to increase modestly and net income to recover from the impairment charge affected fiscal 2009 and LTM period.

Net Sales



Source: Kroger Co. 10-Ks and 10-Qs

Net Income

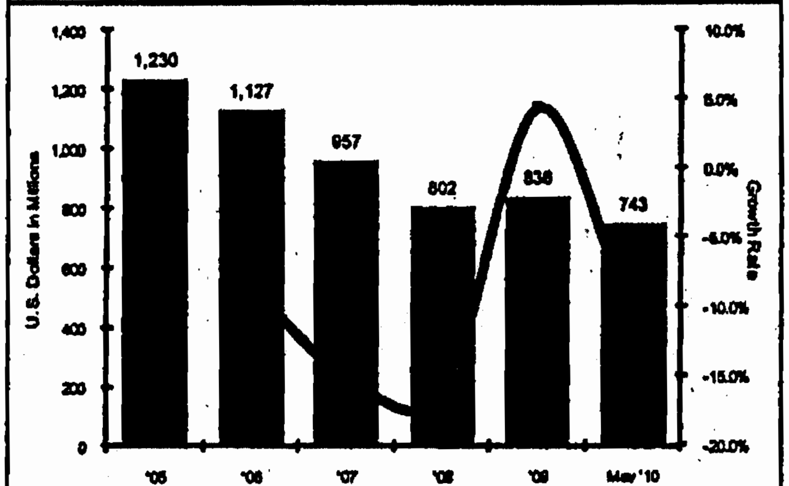


Source: Kroger Co. 10-Ks and 10-Qs

Cash Flow Analysis

- Kroger's unlevered free cash flow decreased from $1.2 billion in fiscal year 2005 to $836 million in fiscal 2009, due primarily to Kroger making considerable investments in capital expenditures, despite generating positive cash flow from operating activities over this time period.
- Despite declining economic conditions in the second half of 2008, Kroger generated positive unlevered free cash flow as a result of positive cash inflows from operating activities, generated primarily from non-cash items (impairment charges) and working capital inflows.
- Unlevered free cash flow has decreased throughout the historical period based mainly on increased spending on capital expenditures and working capital inflows. It should be noted that Kroger has approximately $7.6 billion in outstanding debt and over $1.1 billion of pension and post-retirement liabilities as of May 22, 2010. Future debt repayments of pension and post-retirement benefits will be a drain on Kroger's future unlevered free cash flows, including the estimated $10 million to $12 million of contributions to the Fund from 2010 to 2014.

Unlevered Free Cash Flow



Source: Kroger Co. 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

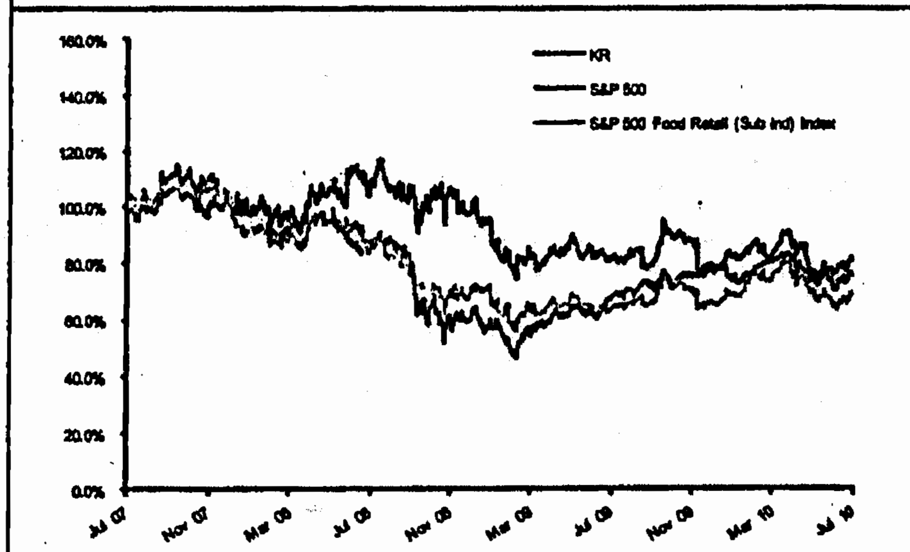
Credit Analysis

- According to credit ratings published by S&P, as of September 30, 2009, Kroger possesses a credit rating of BBB. This rating indicates that Kroger has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments.
- According to Capital IQ, ABF's Z-Score as of June 19, 2010 was 4.63. Based on Kroger's Z-Score, Kroger has an extremely low probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- Kroger's stock price performance has outperformed the S&P 500 for nearly the entire three-year period ended July 31, 2010 and Kroger's stock price has outperformed the S&P 500 Food Retail Index since November 2008. During the three year period ended July 31, 2010, Kroger's stock price has declined 18.4%, from $25.96 on July 31, 2007 to $21.18 on July 31, 2010.

Three-Year Relative Stock Performance



Source: Capital IQ, Inc.

V. EMPLOYERS' FINANCIAL ANALYSIS

Equity Research Analyst Reports

1.) Jeffries & Company, Inc – June 18, 2010

- *Kroger management described mixed trade-up activity with higher-end consumers, generally, doing better and low-end consumers the same or worse. This is in line with comments from others in the industry and outside it that suggest the high-end has largely recovered while the middle classes remain stuck in a deep recession. Management went on to suggest that 2Q-to-date has not seen a considerable change in consumer behavior. This is negative in the sense that we are not seeing a strong recovery but positive in the sense that things have not gotten notably worse despite European sovereign debt worries, on-going high unemployment and exogenous factors like the Gulf oil spill. Broad, middle-class job growth will be needed to drive a stronger and deeper recovery and lead Kroger performance higher.*
- *Kroger is weathering the difficult environment and appears to be slowly recovering from significant, self-inflicted damage last year. Nevertheless, we expect most of the operating improvement to come in the 2H and clearly a better economy and more muted competitive climate would help.*

V. EMPLOYERS' FINANCIAL ANALYSIS

Spartan Stores, Inc.

Company Overview

- Spartan Stores, Inc. ("Spartan") is a leading regional grocery distributor and grocery retailer, operating principally in Michigan, Ohio and Indiana. Spartan operates in two primary business segments: Distribution and Retail. The Distribution segment provides a selection of dry groceries, produce, dairy products, meat, deli, bakery, frozen food, seafood, floral products, general merchandise, pharmacy, and health and beauty care items to approximately 375 independent grocery stores and its 97 corporate-owned stores. The Retail segment operates supermarkets and deep-discount food and drug stores in Michigan and Ohio that offers dry grocery, produce, frozen, dairy, meat, beverages, floral, seafood, health and beauty care, delicatessen and bakery goods. Spartan also operates 24 fuel centers.
- In fiscal year 2007, Spartan acquired 20 retail grocery stores, two fuel centers and three convenience stores from G&R Felpausch Company ("Felpausch"). This transaction is consistent with the company's strategy to focus on growing the business through acquisitions of other grocery operators that are adjacent to or in markets where Spartan operates.
- In fiscal 2009, Spartan acquired VG's Food Center, Inc. and VG's Pharmacy, Inc. ("VG's") for a cash purchase price of $85.0 million plus $16.7 million for inventories. Prior to the acquisition, VG's was a privately-held operator of 17 retail grocery stores based in Eastern Michigan.
- Spartan's contribution to the Central States Plan accounts for less than 3.0% of the Central States Pension Plan's annual employer contribution.

V. Employers' Financial Analysis

Financial Statement Analysis

Balance Sheet Analysis

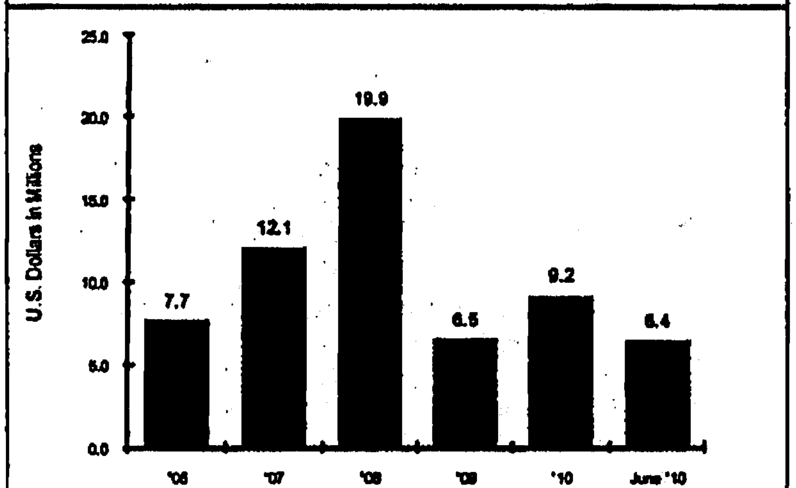
Cash and Cash Equivalents

- Spartan's cash and cash equivalents declined in fiscal 2009 due mainly to the acquisition of VG's.

Interest-Bearing Debt

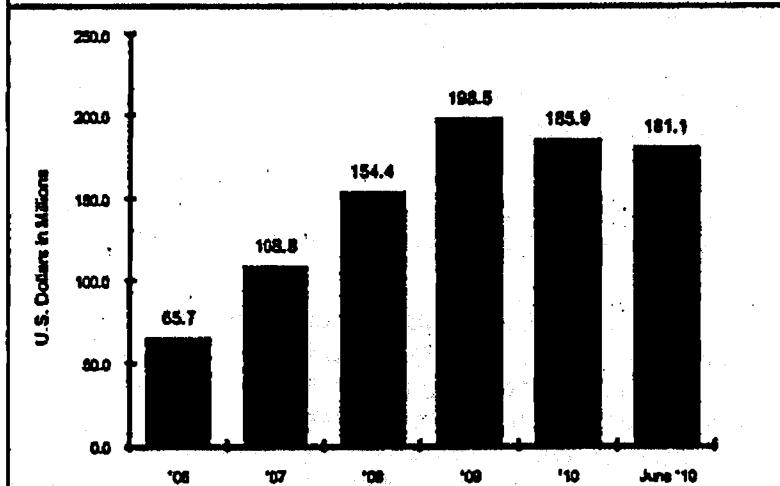
- From fiscal 2006 through fiscal 2009, Spartan's interest-bearing debt increased to support growth through acquisitions.

Cash and Cash Equivalents Balance



Source: Spartan's 10-Ks and 10-Qs

Interest-Bearing Debt



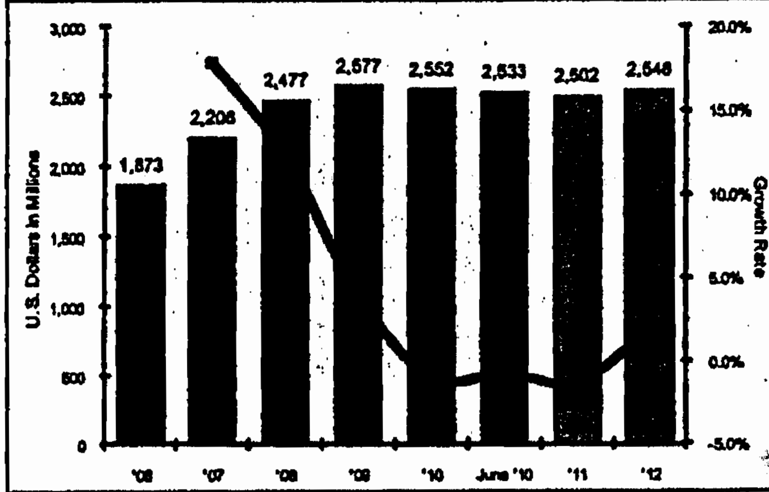
Source: Spartan's 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Income Statement Analysis

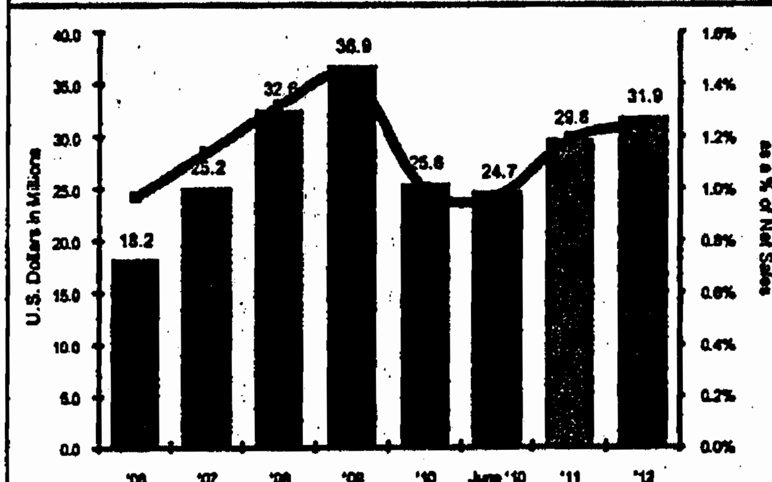
- Net sales increased $99.9 million, or 4.0%, from $2.5 billion in fiscal 2008 to $2.6 billion in fiscal 2009. The increase in sales was attributable to incremental sales from the Felpausch and VG's retail acquisitions, comparable store sales growth in supermarkets, new distribution customer business and product cost inflation.
- Net sales decreased $24.8 million, or 1.0%, from $2.6 billion in fiscal 2009 to $2.5 billion in fiscal 2010. The decrease in sales was primarily due to the economic and competitive environments, product price deflation, and the closure or sale of six retail stores during fiscal 2010 and 2009.
- Net income decreased $11.3 million, from $36.9 million in fiscal 2009, or 1.4% of net sales, to $25.6 million in fiscal 2010, or 1.0% of net sales. The decrease in net income can be primarily attributed to an increase in overall operating expenses associated with the acquisition of VG's and restructuring and impairment costs related to the closure or sale of several retail stores in fiscal 2010.
- Consensus analyst estimates expect Spartan to have relatively stable revenue in fiscal 2011 and 2012 and improving net income in those same periods.

Net Sales



Source: Spartan's 10-Ks and 10-Qs

Net Income



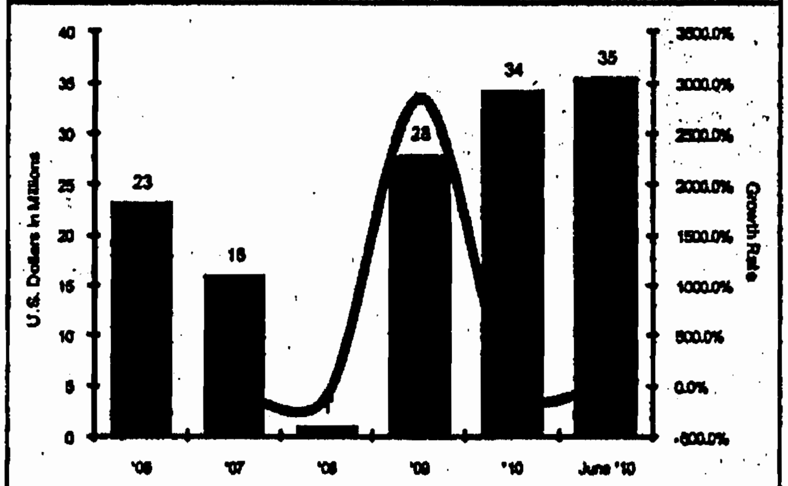
Source: Spartan's 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Cash Flow Analysis

- Spartan's unlevered free cash flow increased from $1 million in fiscal year 2008 to $28 million in fiscal 2009, due primarily to increased revenue and positive cash flow generated from operating activities, in part due to the acquisition of VG's.

Unlevered Free Cash Flow



Source: Spartan's 10-Ks and 10-Qs

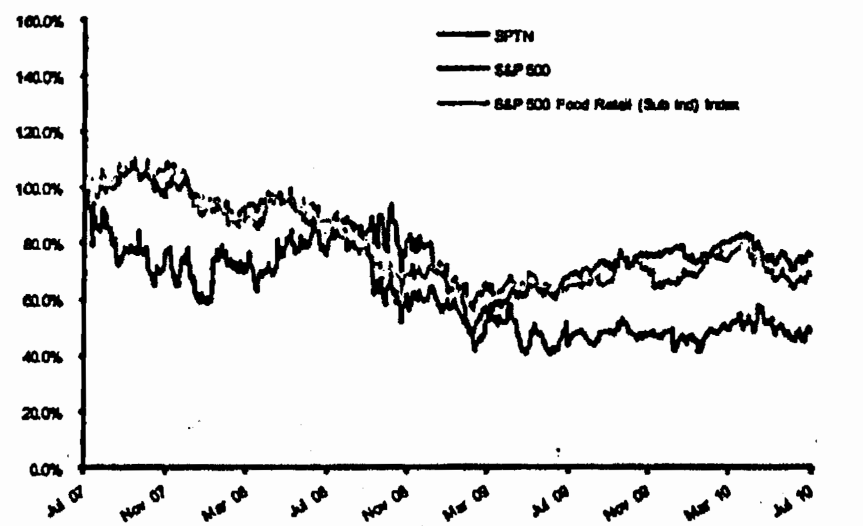
Credit Analysis

- According to Capital IQ, ABF's Z-Score as of June 19, 2010 was 4.30. Based on Spartan's Z-Score, Spartan has an extremely low probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- Spartan's stock price performance has underperformed the S&P 500 and the S&P 500 Food Retail Index for the majority of the three-year period ended July 31, 2010. During the three year period ended July 31, 2010, Spartan's stock price has declined 50.9%, from $29.27 on July 31, 2007 to $14.36 on July 31, 2010.

Three-Year Relative Stock Performance



Source: Capital IQ, Inc.

19.8.85

V. EMPLOYERS' FINANCIAL ANALYSIS

Equity Research Analyst Reports

1.) Jeffries & Company, Inc – July 30, 2010

- *The retail sales environment remains challenging and we expect Spartan to report soft sales, although better than 1Q11 and 4Q10, with -5.0% ex-fuel IDs. Sequentially, the distribution business should show improvement, driven by lapping the VGs transition, moderating deflation and strong execution.*
- *The competitive environment is weighing on gross margins, but strong cost management is leading to SG&A leverage. Margin upside could come from reduced competitive activity in SPTN's home markets.*
- *Spartan Stores reported modest upside to its 1Q11 and sees improvement throughout the year. However, the pace appears slower than we had expected and we have lowered our numbers accordingly. Like several of our supermarket names, SPTN has made improvements but is held back by depressing a macro climate.*

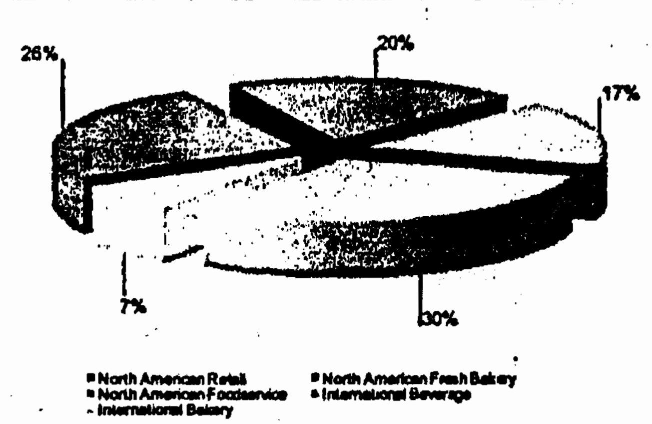
V. EMPLOYERS' FINANCIAL ANALYSIS

Sara Lee Corp.

Company Overview

- Sara Lee is a global manufacturer and marketer of a range of branded packaged meat products, fresh and frozen bakery products, roast and ground coffee, and household and body care products. Sara Lee operates in five segments, including: (1) North American Retail; (2) North American Fresh Bakery; (3) North American Foodservice; (4) International Beverage; and (5) International Bakery.
- The following chart illustrates Sara Lee's breakdown of revenue by business segment.

Revenue by Business Segment in Fiscal 2010



Source: Sara Lee Corp. records.

- In fiscal year 2009, Sara Lee announced "Project Accelerate," a plan designed to improve operational performance and reduce costs. The plan addresses outsourcing actions, supply chain inefficiencies, and organization simplification. In August 2010, Sara Lee said that it expected to realize annualized benefits from Project Accelerate of $350 million to $400 million by the end of fiscal year 2012.
- Sara Lee accounted for less than 3.5% of the pension contributions to the Central States Pension Plan in fiscal 2009. Additionally, Sara Lee reported that its defined benefit pension plans were underfunded by $466 million at the conclusion of fiscal year 2009, versus $321 million at the end of fiscal year 2008. In fiscal year 2010, Sara Lee made a $200 million voluntary cash contribution to its pension plans.

V. EMPLOYERS' FINANCIAL ANALYSIS

Financial Statement Analysis

Balance Sheet Analysis

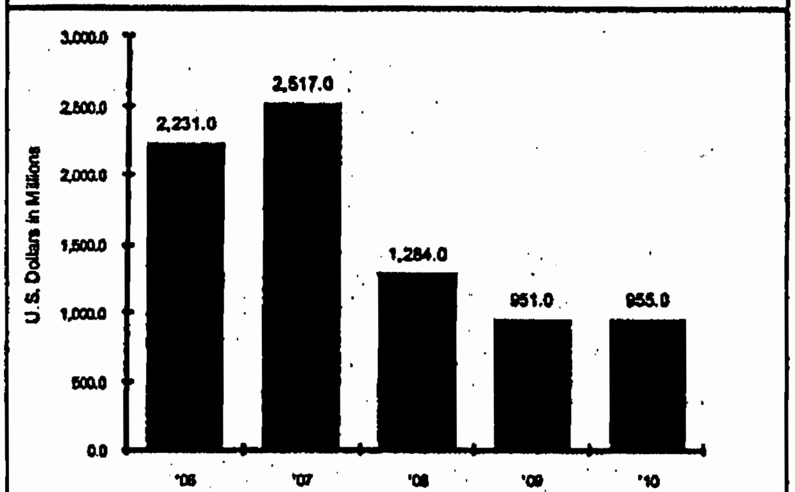
Cash and Cash Equivalents

- Sara Lee's cash and cash equivalents decreased from $2.5 billion as of June 30, 2007 to $1.3 billion as of June 28, 2008. The decrease in cash was primarily due to the repayment of approximately $1.2 billion of debt in fiscal 2008. Additionally, Sara Lee has continued to use cash to repurchase common stock, in accordance with Sara Lee's common stock repurchase program.

Interest-Bearing Debt

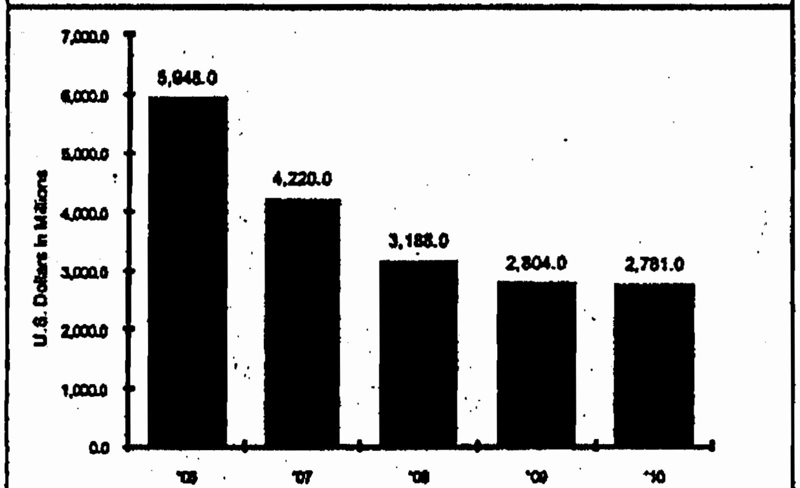
- Sara Lee's interest bearing debt balance declined over the five year period from July 1, 2006 to July 3, 2010. The decrease in interest-bearing debt was primarily due to positive cash flow generated by Sara Lee which was then used to repay debt.

Cash and Cash Equivalents Balance



Source: Sara Lee's 10-Ks and 10-Qs

Interest-Bearing Debt



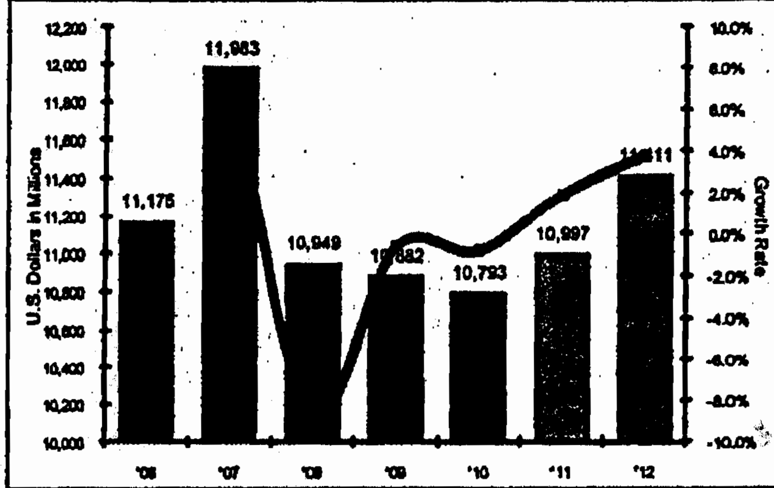
Source: Sara Lee's 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Income Statement Analysis

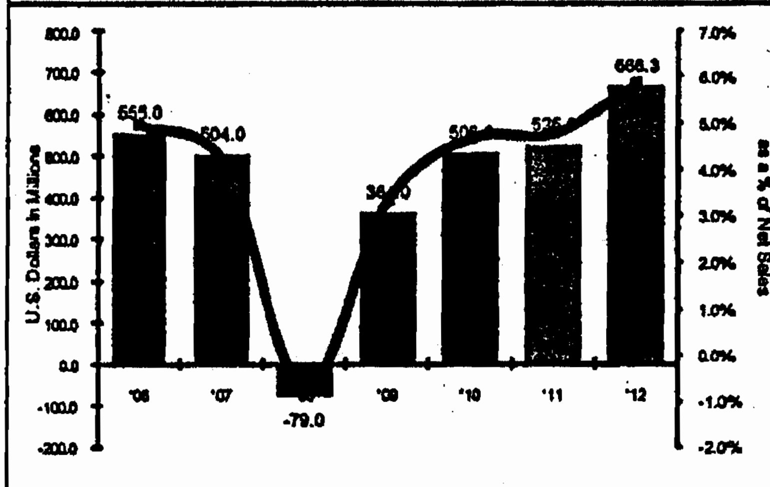
- Revenue decreased 8.6% in fiscal year 2008, primarily due to the adjustment made to revenue to account for discontinued operations related to Sara Lee's household and body care and Mexican meats businesses. Unadjusted revenue in 2008 was $13.2 billion.
- Revenue decreased 0.8% in fiscal year 2009 primarily due to the favorable impact of the 53rd week and positive changes in foreign currency exchange rates that were more than offset by the negative impact of business dispositions, lower unit volumes and lower prices due to competitive pressures and a challenging economic environment.
- Net Income in fiscal 2008 declined significantly primarily due to impairment charges of $431 million related to the food service segment, a $400 million charge related to the International Beverage business segment, and an increase in selling, general and administrative expenses of $134 million.
- Net income increased in fiscal 2010 primarily due to improved results for Sara Lee's business segments, lower commodity costs, and cost savings generated from Project Accelerate, partially offset by higher spending on media advertising and promotions and the negative impact of lower unit volumes.
- Consensus analyst estimates expect Sara Lee to continue to grow revenue and net income in fiscal 2011 and 2012.

Net Sales



Source: Sara Lee's 10-Ks and 10-Qs

Net Income



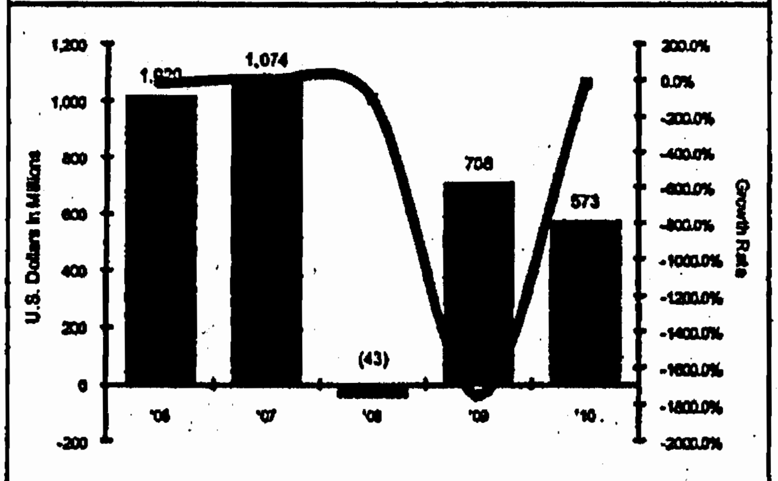
Source: Sara Lee's 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Cash Flow Analysis

- Sara Lee's unlevered free cash flow decreased from $1.1 billion in fiscal 2007 to negative $43 million in fiscal 2008 due primarily to a loss from discontinued operations. Sara Lee's unlevered free cash flow increased from negative $43 million in fiscal 2008 to $708 million in fiscal year 2009, primarily due improved operating results and improved working capital management, partially offset by higher cash payments for restructuring actions, taxes, and pensions.
- Sara Lee announced a revised capital plan that will focus on share repurchases, dividend payouts and pension plan funding while maintaining a solid investment grade credit profile. Sara Lee expended $500 million to repurchase 36.4 million shares of its common stock under an accelerated share repurchase program and voluntarily contributed an additional $200 million to its U.S. defined benefit pension plans in fiscal 2010.

Unlevered Free Cash Flow



Source: Sara Lee's 10-Ks and 10-Qs

Credit Analysis

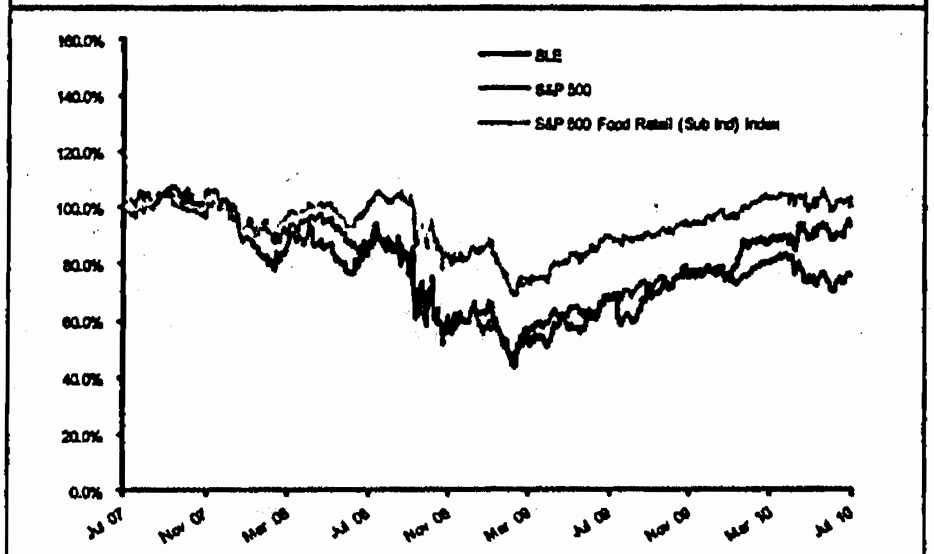
- According to credit ratings published by S&P, as of February 17, 2010, Sara Lee possesses a credit rating of BBB. This rating indicates that Sara Lee has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments.
- According to Capital IQ, Sara Lee's Z-Score as of June 19, 2010 was 2.91. Based on Sara Lee's Z-Score, Sara Lee has a possibility, albeit unlikely, of entering into bankruptcy within the next two years.

V. EMPLOYERS' FINANCIAL ANALYSIS

Relative Stock Performance

- Sara Lee's stock price performance has performed in a similar fashion compared to the S&P 500 and has underperformed the S&P 500 Packaged Foods & Meats Index for nearly the entire three-year period ended July 31, 2010. During the three year period ended July 31, 2010, Sara Lee's stock price has declined 6.7%, from $15.85 on July 31, 2007 to $14.79 on July 31, 2010.
- The packaged food and meats industry has experienced a favorable operating environment, benefitting from lower commodity costs and low prices, the shift toward consumers trading down to less expensive food products, and the trend leading to consumers eating more often at home versus eating out. However, in the future, an increasingly stable economic environment is expected to lead to an increased number of food products available to consumers and an increase in the standard of living in developing international markets leading to opportunities for growth for U.S packaged food companies.
- The S&P 500 Packaged Food and Meat Index has outperformed the S&P 500 Index over the course of the three year period ended July 31, 2010. While the S&P 500 Index has declined significantly, the S&P Packaged Food and Meat Index has increased 0.8%, while the S&P 500 Index has declined 24.3% during this period.

Three-Year Relative Stock Performance



Source: Capital IQ, Inc.

Equity Research Analyst Reports

1.) Deutsche Bank – August 12, 2010

- *Although tax considerations on repatriation of cash and further contributions to pensions could make our estimate too aggressive, it appears Sara Lee can manage $3+ billion of share repurchases between F2010 through F2012 end. This equates to about D&A of $450 million, we calculate $1.04 billion of cash sources although we also subtract $40 million of cash charges related to Project Accelerate. As far as uses are concerned, we use $425 million capital expenditures, and $275 million in dividends, we calculate free cash flow of $300 million. Adding $2.09 billion proceeds from the Household & Body Care disposition, we estimate roughly $2.4 billion cash available for debt repayment, share repos or M&A.*
- *We are lowering our F2011 EPS $0.02 although most of the change is a function of fewer share repurchases. Pricing will be key to offset 15% inflation as Sara Lee's brands are tested for loyalty and elasticity. Looking to F2012 we see numerous positive swing factors with our new $1.22 EPS estimate.*
- *Sara Lee has emerged as a more focused, centralized company (even before a possible exit of global baking). As expected F2011 will face challenges similar to other packaged food, but we look toward F2012 along with a solid balance sheet, div. yield and buyback (10%+ of market cap) to support the stock.*

V. EMPLOYERS' FINANCIAL ANALYSIS

Dean Foods Co.

Company Overview

- Dean Foods is a leading processor and distributor of milk and other dairy products in the United States. Dean Foods' operations consist of two business units: Fresh Dairy Direct – Morningstar, which accounted for 84% of net sales in the first half of 2010, and the WhiteWave-Alpro unit, which accounted for 16% of net sales in the first half of 2010. The Fresh Dairy Direct – Morningstar unit is the largest processor and distributor of milk and various other dairy products in the United States. WhiteWave-Alpro manufactures, develops, markets and sells a variety of well known soy, dairy and dairy-related products.
- In July 2009, Dean Foods acquired the Alpro division of Vandemoortele N.V. Additionally, Dean Foods has decided to sell its Rachel's business operations, which was part of the Whitewave-Alpro business unit.
- Dean Foods accounted for less than 3.0% of the pension contributions to the Central States Pension Plan in fiscal 2009. Dean Foods participates in various defined benefit and multiemployer pension plans, some of which were underfunded in fiscal year 2009. In fiscal year 2009, Dean Foods made contributions of $24.5 million to its defined benefit pension plans.

Financial Statement Analysis

Balance Sheet Analysis

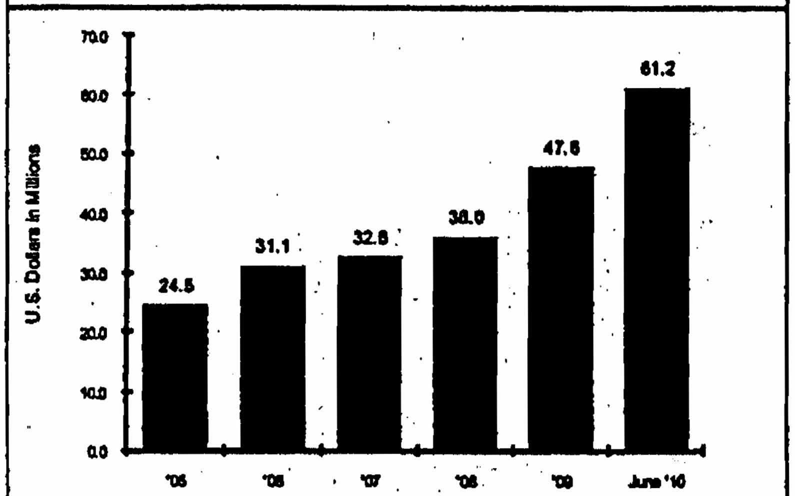
Cash and Cash Equivalents

- Dean Foods' cash and cash equivalents increased as of December 31, 2009 primarily due to positive cash flow from operations and a stock issuance that together exceeded capital expenditures, debt repayments, and cash used for acquisitions. Cash and cash equivalents increased again as of June 30, 2010 due mainly to cash from operations exceeding capital expenditures.

Interest-Bearing Debt

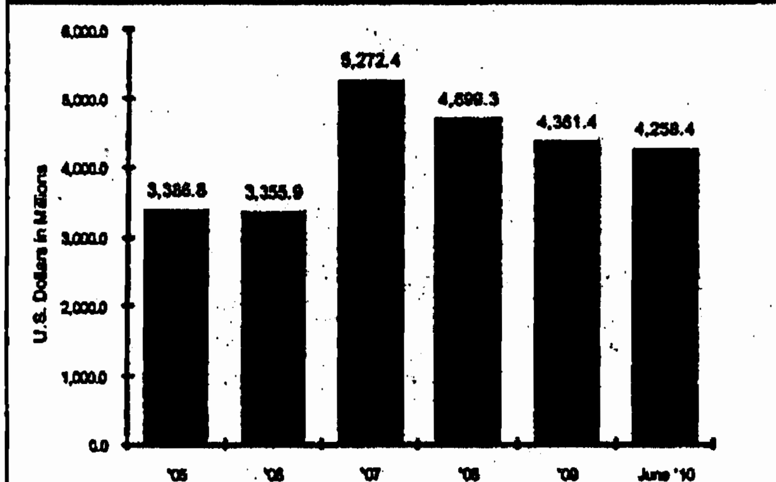
- Dean Foods' interest-bearing debt increased significantly as of December 31, 2007 due to the financing of a $1.9 billion special dividend.

Cash and Cash Equivalents Balance



Source: Dean Foods' 10-Ks and 10-Qs

Interest-Bearing Debt

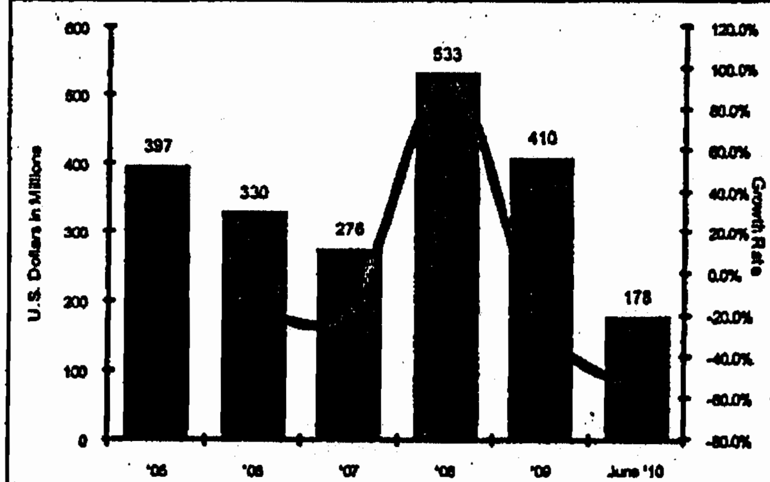


Source: Dean Foods' 10-Ks and 10-Qs

Cash Flow Analysis

- Dean Foods' unlevered free cash flow decreased from $533 million in fiscal year 2008 to $410 million in fiscal 2009, due primarily to the challenging economic conditions, which resulted in lower revenue and lower cash flow from operations.
- As of June 30, 2010, Dean Foods had $4.3 billion of interest-bearing debt outstanding. In addition, as of December 31, 2009, Dean Foods had $79.0 million of pension and post-retirement liabilities. Future debt repayments of pension and post-retirement benefits will be a drain on Dean Foods' future unlevered free cash flows, including the estimated $8.3 million to $10.4 million of contributions to the Fund.

Unlevered Free Cash Flow



Source: Dean Foods' 10-Ks and 10-Qs

Credit Analysis

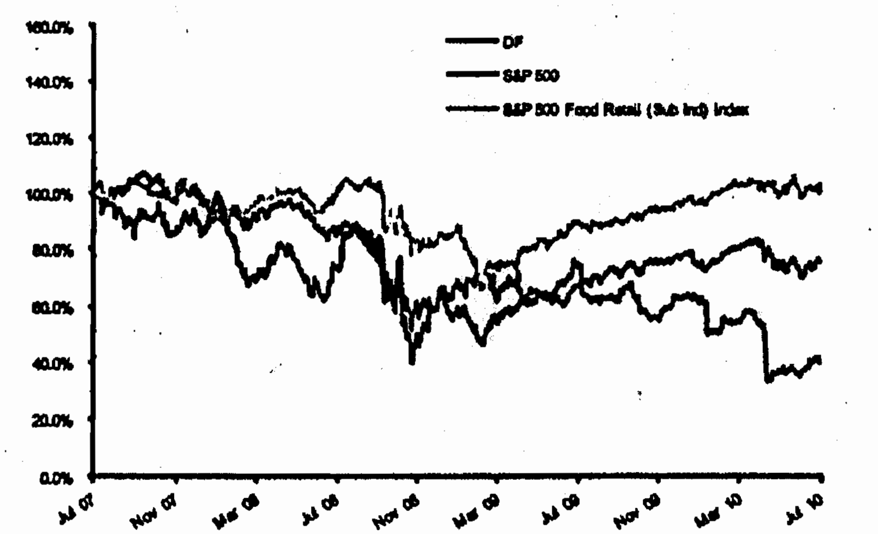
- According to credit ratings published by S&P, as of May 13, 2010, Dean Foods possesses a credit rating of BB-. This rating indicates that Dean Foods is less vulnerable in the near term than other lower-rated companies. However, Dean Foods faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the company's inadequate capacity to meet its financial commitments.
- According to Capital IQ, Dean Food' Z-Score as of June 30, 2010 was 2.09. Based on Dean Foods' Z-Score indicates a neutral rating, with a possibility of entering into bankruptcy within the next two years.

V. EMPLOYERS' FINANCIAL ANALYSIS

Relative Stock Performance

- Dean Foods' stock price performance has underperformed the S&P 500 and the S&P 500 Packaged Foods & Meats Index for nearly the entire three-year period ended July 31, 2010 due to a highly levered balance sheet, an unfavorable operating environment, and challenging economic conditions which led to more price competition. During the three year period ended July 31, 2010, Dean Foods' stock price has declined 60.2%, from $28.77 on July 31, 2007 to $11.46 on July 31, 2010.

Three-Year Relative Stock Performance



Source: Capital IQ, Inc.

V. Employers' Financial Analysis

Equity Research Analyst Reports

1.) Deutsche Bank – August 11, 2010

- *Macro and micro-economic pressures are forcing dairy processors to reduce category capacity, cut cost and look at the business differently from the past 50+ years. Dean is responding, but to win LT, mgmt will need to execute with few mistakes, increase capital spending (with limited resources) while managing through a difficult environment.*
- *On one hand, the additional capital to get at cost savings is necessary in order to reduce cost and restructure the dairy operation (again 80% of sales). But with roughly $500+ million in cash sources, spending close to $400 million in capital doesn't leave much room for other uses such as working capital and the need for debt reduction.*

2.) Janney Capital Markets – August 4, 2010

- *Still, we think that Dean has significant room to cut its own capacity, thereby achieving a lower cost structure on a regional basis with which it can force out excess supply.*

Republic Services, Inc.

Company Overview

- Republic is the second largest provider of non-hazardous solid waste collection, transfer, recycling and disposal services in the Unites States. Republic provides non-hazardous solid waste collection services for commercial, industrial, municipal and residential customers through 376 collection companies in 40 states and Puerto Rico. Republic owns 223 transfer stations, 192 active solid waste landfills and 78 recycling facilities.
- On December 5, 2008, Republic acquired Allied Waste Industries, Inc. ("Allied") for $12.1 billion, which included the assumption of $5.4 billion of debt.
- Republic accounted for less than 1.0% of the pension contributions to the Central States Pension Plan in fiscal 2009. Republic contributes to at least 25 multiemployer pension plans covering at least 17% of its current employees, some of which were underfunded in fiscal year 2009. In fiscal year 2009, Republic made a contribution of $43.0 million to its defined benefit pension plans.

V. EMPLOYERS' FINANCIAL ANALYSIS

Financial Statement Analysis

Balance Sheet Analysis

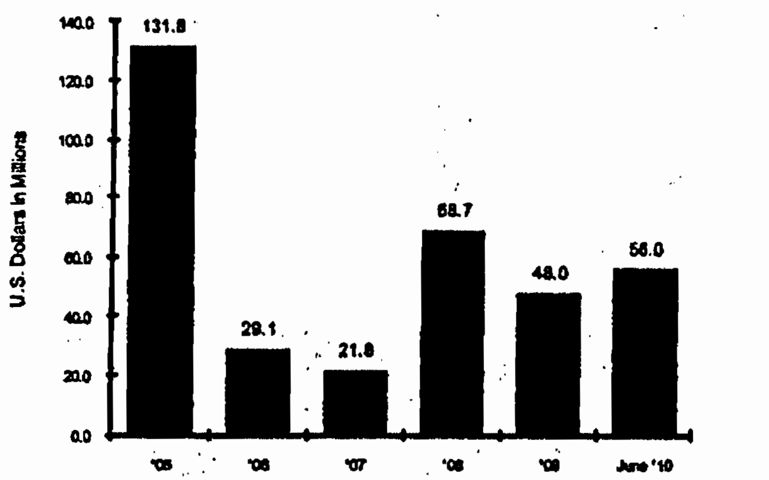
Cash and Cash Equivalents

- Republic's cash and cash equivalents balance decreased as of December 31, 2006 mainly due to the redemption of common stock.

Interest-Bearing Debt

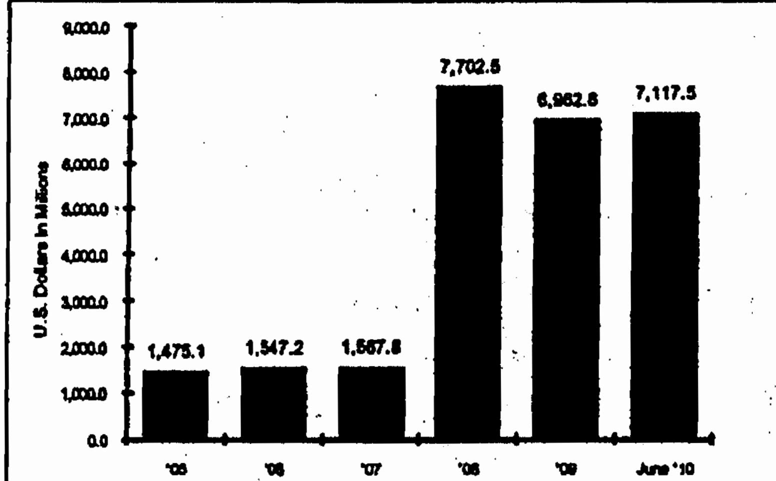
- Republic's interest-bearing debt balance increased from $1.6 billion as of December 31, 2007 to $7.7 billion as of December 31, 2008, due primarily to the acquisition of Allied in fiscal 2008.

Cash and Cash Equivalents Balance



Source: Republic's 10-Ks and 10-Qs

Interest-Bearing Debt

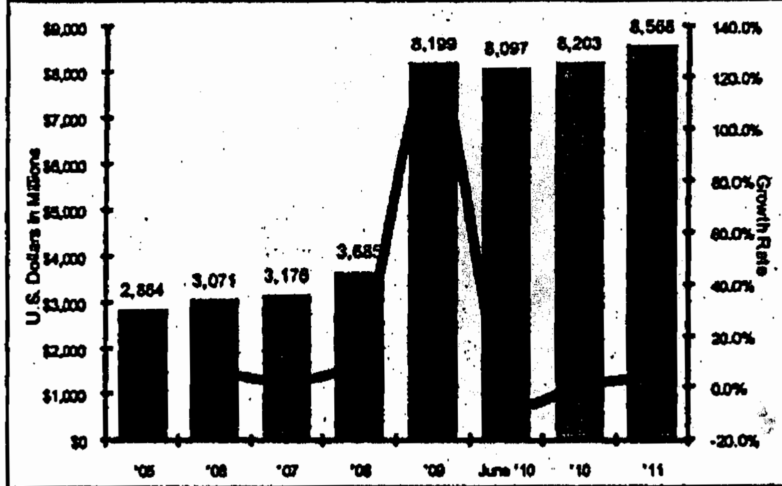


Source: Republic's 10-Ks and 10-Qs

Income Statement Analysis

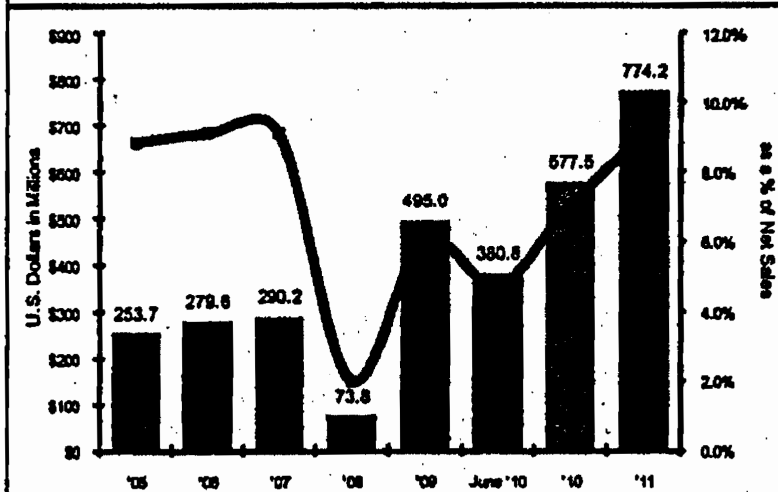
- Net sales increased in fiscal 2009 due primarily to the acquisition of Allied, changes in core prices due to Republic's broad-based pricing initiatives, and a reduction in fuel surcharges as a result of lower fuel costs incurred in fiscal 2008
- Net income increased significantly in fiscal 2009, increasing from $73.8 million in fiscal 2008 to $495 million in fiscal 2009. The increase in net income is primarily due to: (1) a decrease in transfer and disposal costs; (2) lower fuel costs; and (3) a decrease in landfill operating costs.
- Consensus analyst estimates expect Republic to continue to grow revenue and net income in fiscal years 2010 and 2011.

Net Sales



Source: Republic's 10-Ks and 10-Qs

Net Income



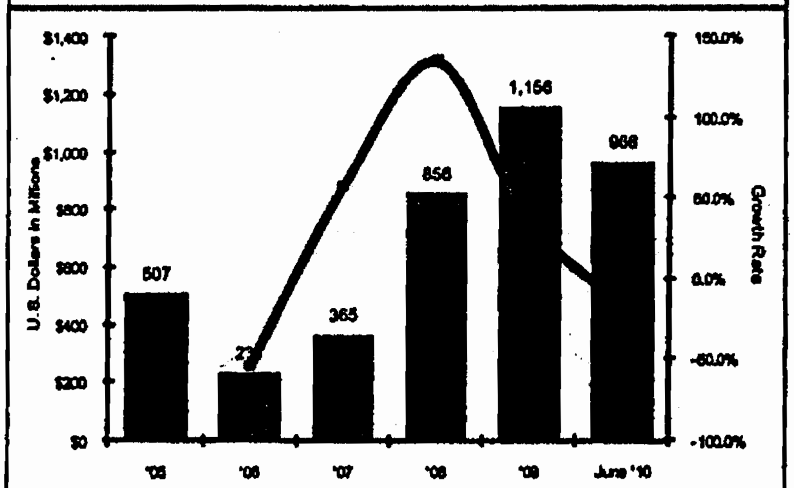
Source: Republic's 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Cash Flow Analysis

- Republic's cash flow from operations increased $884 million, from $512 million in fiscal year 2008 to $1.4 billion in fiscal 2009, primarily due to the acquisition of Allied.
- Republic's unlevered free cash flow decreased from $1.2 billion in fiscal year 2009 to $966 million in the LTM period ended June 30, 2010, due primarily to lower cash flows generated from operations, and an increase in capital expenditures. Republic has approximately $7.1 billion in outstanding debt and over $36.8 million of pension and post-retirement liabilities as of June 30, 2010. Future debt repayments of pension and post-retirement benefits will be a drain on Republic's future unlevered free cash flows, including the estimated $3.5 million to $4.4 million of contributions to the Fund.

Unlevered Free Cash Flow



Source: Republic's 10-Ks and 10-Qs

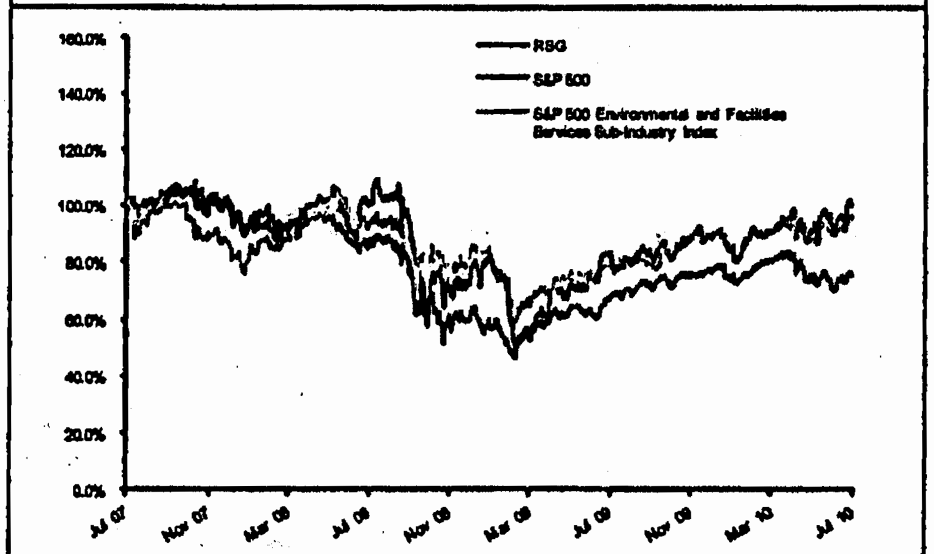
Credit Analysis

- According to credit ratings published by S&P, as of July 10, 2009, Republic possesses a credit rating of BBB. This rating indicates that Republic has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments.
- According to Capital IQ, Republic's Z-Score as of June 30, 2010 was 1.32. Based on Republic's Z-Score, Republic has a higher than average probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- Republic's stock price performance has performed very similar to the S&P 500 Environmental & Facilities Services Index for nearly the entire three-year period ended July 31, 2010, and has outperformed the S&P 500 Index for the majority of the three-year period. During the three year period ended July 31, 2010, Republic's stock price has declined 0.3%, from $31.95 on July 31, 2007 to $31.86 on July 31, 2010.
- The environmental and facilities services industry in general has performed favorably given the challenging economic environment, over the past three years. S&P considers the outlook for the environmental and facilities services industry to be positive, based on the gradual recovery of the collection and landfill volume, combined with strong cash generation, pricing initiatives and cost control efforts.
- The S&P Environmental & Facilities Services Index outperformed the S&P 500 Index over the course of the three year period ended July 31, 2010. While the S&P 500 index has declined, the S&P Environmental & Facilities Services Index decreased 5.1%.

Three-Year Relative Stock Performance



Source: Capital IQ, Inc.

V. EMPLOYERS' FINANCIAL ANALYSIS

Equity Research Analyst Reports

1.) Wedbush – July 30, 2010

- *With the 5% increase in the quarterly dividend, management signaled to the market that it has begun the process of reevaluation its capital allocation plans on a go forward basis. While dividends are valued, we surmise that the company will reinstitute a sizeable share repurchase program, estimated at $300-400 million, by as early as Q4:10 to drive further shareholder value.*

Section XIII

Opinion

VI. Opinion

Conclusion

- We understand that the Plan's collectively bargained Contribution Rate may be subject to change, due to changes required under the Fund's rehabilitation plan. We understand that Contribution Rate changes may materially impact the operations of certain employers in the Plan and their viability. The primary schedule under the rehabilitation plan requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter.
- We have assumed that each contributing employer in the Central States Plan will be responsible for the same percentage increase in the Contribution and cannot separately negotiate a different change in the Contribution.
- It is important to note that our opinion is based on whether the proposed increase in the Contribution Rate is reasonable for the Employers in aggregate. For purposes of evaluating whether the proposed increase is reasonable for the Employers, we have not performed a solvency analysis.

Trucking and Shipping

- Companies in the trucking and shipping industry have been significantly affected by weak economic conditions. While shipping volumes have improved modestly in line with recent economic growth, the industry is still faced with excess capacity, which continues to keep profit margins low. In addition, unionized companies in this industry have a higher cost structure making it more challenging for them to compete with non-union companies. Sustained economic growth, at a minimum, is required in order for industry capacity to return to a more normal level. For employers in the trucking and shipping industry, the possibility of a double dip recession or at a minimum nominal economic growth in the near term is a significant threat. Additionally, the companies that operate in this industry are also significant participants in the Fund and other multiemployer pension plans due to union labor.

Food Retail

- Companies operating in the food retail industry have experienced modest growth in revenue and profitability over the last few years. The industry group is mature and not subject to significant risk related to the economy due to the fact that products sold by industry group participants are necessary rather than discretionary items. Though competitive conditions make investments in capital expenditures and acquisitions necessary to remain competitive, employers in this industry group that were considered as part of the Analysis all appear able to satisfy their existing obligations. This is despite the fact each of these companies and the industry group in general generates low margins, which creates some risk related to future operations.

Packaged Food and Meats

- Companies in the packaged food and meats industry have benefited during the recession as consumers are eating more at home than in restaurants. As a result, companies in this industry have generally experienced growth in revenue and profitability. Current economic conditions have also caused consumers to buy down from name brand products to private label products. Companies with a greater focus on private label have performed better than companies focused on higher price point name brand products. Pension plan expenses for companies that operate in this industry group are not material operating expenses, compared to companies that operate in the trucking and shipping industry group, making any increase in the Contribution Rate less significant.

Environmental and Facilities Services Industry

- Those employers that are participants in the Central States Plan and that operate in the Environmental and Facilities Services industry group are expected to generate positive cash flow for the foreseeable future. The industry group is mature and not subject to significant risk related to the economy due to the fact that the services provided are indispensible rather than discretionary. Employers in this industry group that were considered as part of the Analysis appear able to satisfy their existing obligations. More importantly, however, employer obligations to pension plans similar to the Central States Plan are not a material expense for industry group participants due to less reliance on union labor.

Overall Conclusion

- It appears that a majority of the Employers will be able to satisfy their obligations and remain competitive, based on the Analysis, even if the Contribution Rate increases are implemented due to (1) relatively immaterial contribution payments to the Central States Plan, (2) projected earnings and cash flow from operations that call for positive returns, and (3) manageable debt servicing requirements. However, several large employers are problematic.
- Of particular concern is the financial distress of YRC, the Fund's largest contributor.
  - Revenue has declined significantly in recent years as a result of lower volumes and yields as well as a decrease in fuel surcharges. Volumes were impacted by multiple factors, most notably lower demand for transportation services driven by a weak economy and business diversion due to customer concerns surrounding YRC financial stability. The declines in yields are a factor of excess capacity in the transportation sector resulting in increased competition for lower freight volumes.
  - Net income has been negative since fiscal 2007 due to deteriorating economic conditions and YRC's above average industry cost structure despite YRC's attempts at cost reduction initiatives (i.e. reductions in force, reductions in wages, and reductions in service centers).
  - Analysts believe that YRC will continue to sustain losses in fiscal 2010 and 2011 and that YRC will have difficulty meeting its postponed obligations that begin to come due in 2011 (pension liability, bank interest and commitment fees).
  - The recent wage reduction and the temporary pension contribution cessation have improved YRC's liquidity position; however, the temporary pension contribution cessation ends at the end of 2010. Based on expected levels of employment

in 2011, YRC estimates that it will have to contribute approximately $25 million to $30 million per month to multiemployer pension funds in 2011.

- In their report dated March 16, 2010, YRC's independent public accounting firm raised substantial doubt about YRC's ability to continue as a going concern.
- According to credit ratings published by S&P, as of January 11, 2010, YRC possesses a credit rating of CCC-. This rating indicates that YRC is currently vulnerable to nonpayment, and is dependent on favorable business, financial, and economic conditions in order for YRC to meet its upcoming financial commitments on current obligations.
- According to Capital IQ, YRC's Z-Score as of June 30, 2010 was 0.48. Based on YRC's Z-Score, YRC has a high probability of entering into bankruptcy within the next two years.
- During the three year period ended July 31, 2010, YRC's stock price has declined 98.8%, from $32.12 on July 31, 2007 to $0.40 on July 31, 2010. Additionally, during this same time period, YRC's market capitalization has declined by approximately 82%, from $1.8 billion as of July 31, 2007 to $330 million as of July 31, 2010.
- Based on information provided by the Central States Plan, YRC currently has an unfunded withdrawal liability of $6.1 billion compared to a current market capitalization of under $300 million. In addition, if YRC declares bankruptcy it is unlikely that the Fund will receive any portion of YRC's withdrawal liability.

- YRC's historical and projected losses, low debt ratings and Z-Score, and future pension and debt obligations illustrate the current and long-term liquidity and solvency issues faced by YRC. YRC's ability to satisfy its obligation and remain competitive in light of an increase to the Contribution Rate appears unreasonable and in all likelihood YRC will need to seek additional deferrals and cost reductions from both debt holders and pension funds.
- While not in nearly the financial distress as YRC, Arkansas has experienced significant declines in revenue and negative cash flow over the last two years, reflecting deteriorating economic and market conditions. The unfavorable economic conditions have adversely affected the business activity of Arkansas customers, which has led to reduced customer orders and the inability of Arkansas to secure adequate pricing for its services. Given Arkansas' outlook, which is consistent with recent analyst reports, and current and prospective industry conditions, Arkansas is unlikely to be able to satisfy its obligation and remain competitive given the proposed increased Contribution Rate.
- Allied and Jack Cooper are both currently facing unfavorable economic and market conditions. In addition, Allied and Jack Cooper are both currently dealing with other unfavorable factors such as negative working capital, high debt levels, declining sales, and negative profitability, which has led to both companies being unable to satisfy existing obligations. Given the historical performance of Allied and Jack Cooper, it is unlikely that either company will be able to afford to satisfy the current Contribution Rate and it is even more unlikely that either company will be able to satisfy their obligations and remain competitive given the proposed increase in the Contribution Rate.

VI. OPINION

- The level of leverage currently being employed by SuperValu in its operations, as well as the highly levered balance sheets for Sara Lee and Dean Foods are potential causes for concern, and could possibly limit these companies' ability to make contributions to the Fund.
- However, it does not appear that increases in the Contribution Rate would be unreasonable for these companies. In addition, the other companies analyzed as part of the Analysis are not suffering any financial distress and have remained profitable despite the recession and poor market conditions. As a result, these companies are likely able to satisfy the indicated increases in the Contribution Rate. However, our analysis was limited to a review of financial statement information that was publicly available and did not include any meetings with each company's management team. As a result, we were not able to determine whether other obligations (pension, labor costs, etc.) may be changing in the future, or to evaluate each company's competitive position in the marketplace. As a result, we are not able to determine whether the increases in the Contribution Rate would be reasonable for these companies on an individual basis.
- While most of the Employers in our Analysis could potentially fund an increase in the Contribution Rate, YRC, ABF, Allied, and Jack Cooper (which represent approximately 38.5% of the 2009 contributions to the Fund), cannot support such an increase. Not only are the proposed changes in the Contribution Rate consistent with the rehabilitation plan unreasonable for YRC, ABF, Allied, and Jack Cooper, it is also highly unlikely that these companies could afford to pay these amounts and still finance other operational and financial obligations consistent with their respective business operations. As a result, based on all of the information reviewed and evaluated as part of the Analysis, it is our opinion that the proposed increase in the Contribution Rate for the Employers is not reasonable.

Appendix A

Exhibits

Exhibit A - Reported Balance Sheets: YRC Worldwide Inc.

In Millions of U.S. Dollars	As of					
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Cash and Equivalents	$ 82	$ 76	$ 58	$ 325	$ 98	$ 144
Accounts Recievable - Trade	1,164	1,191	1,074	837	516	477
Other Receivables - Net	0	0	128	46	79	0
Total Inventory	31	27	29	25	18	0
Prepaid Expenses	95	163	50	94	41	164
Other Current Assets - Total	105	34	41	134	107	72
Total Current Assets	1,478	1,491	1,378	1,461	859	858
Net Property and Equipment	2,206	2,270	2,380	2,201	1,839	1,681
Goodwill, Net	1,231	1,327	701	0	0	0
Intangibles, Net	714	691	533	185	164	149
Long-Term Investments	0	0	0	92	58	41
Other Assets	106	73	71	28	112	115
Total Other Assets	2,051	2,091	1,305	305	334	304
Total Assets	$ 5,734	$ 5,852	$ 5,063	$ 3,966	$ 3,032	$ 2,843

Source: Capital IQ

A. Exhibits

Exhibit A - Reported Balance Sheets: YRC Worldwide Inc.

In Millions of U.S. Dollars	As of					
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Accounts Payable	$ 394	$ 398	$ 388	$ 334	$ 199	$ 170
Accrued Expenses	724	603	594	528	388	206
Short-Term Debt	375	225	180	147	146	0
Current Portion of Long-Term Debt and Capital Leases	0	0	232	415	51	245
Other Current Liabilities	172	134	202	319	226	527
Total Current Liabilities	1,665	1,360	1,596	1,743	1,010	1,149
Long-Term Debt	1,113	1,058	822	787	620	590
Capital Lease Obligations	0	0	0	0	316	323
Minority Interest	0	0	0	0	0	(1)
Other Liabilities	1,020	1,240	1,033	955	919	858
Total Long-Term Liabilities	2,133	2,299	1,855	1,742	1,855	1,771
Total Liabilities	3,798	3,659	3,450	3,485	2,865	2,920
Total Preferred Equity	0	0	0	0	4	0
Common Stock Net	60	61	62	1	1	11
Additional Paid-In Capital	1,155	1,181	1,212	1,301	1,576	1,615
Retained Earnings	839	1,115	471	(555)	(1,177)	(1,481)
Treasury Stock	(90)	(110)	(145)	(93)	(93)	(93)
Other Equity, Total	(28)	(55)	12	(173)	(144)	(149)
Total Stockholders' Equity	1,936	2,193	1,612	481	167	(77)
Total Liabilities & Stockholders' Equity	$ 5,734	$ 5,852	$ 5,063	$ 3,966	$ 3,032	$ 2,843

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Statements of Cash Flows: YRC Worldwide Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended 12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12 Months Ended 6/30/2010
Net Income	$ 288	$ 277	$ (640)	$ (976)	$ (622)	$ (323)
Depreciation and Amortization	251	274	247	264	255	230
Amortization of Deferred Charges	0	0	3	4	29	41
Non-Cash Items	54	165	801	750	(330)	(156)
Changes in Working Capital	(95)	(184)	(17)	178	290	59
Net Cash Provided by (Used in) Operating Activities	498	532	393	220	(378)	(149)
Capital Expenditures	(305)	(378)	(394)	(162)	(37)	(22)
Other Investing Cash Flow Items, Total	(34)	(0)	(3)	(52)	6	12
Sale of Property, Plant, and Equipment	48	75	55	128	133	131
Cash Acquisitions	(754)	(26)	0	0	0	0
Divestitures	0	0	0	0	32	32
Net Cash Provided by (Used in) Investing Activities	(1,044)	(329)	(341)	(87)	134	153
Total Debt Issued-Total Debt Repaid	586	(195)	(40)	146	84	7
Total Dividends Paid	0	0	0	0	0	0
Issue/Retire of Common Stock, Net	(39)	(14)	(28)	0	0	16
Issue/Retire of Preferred Stock, Net	0	0	0	0	0	0
Other Financing Activities, Total	(4)	0	(1)	(11)	(67)	(46)
Net Cash Provided by (Used in) Financing Activities	522	(209)	(70)	134	17	(24)
Net Increase (Decrease) in Cash and Cash Equivalents	(24)	(6)	(18)	267	(228)	(20)
Cash and Cash Equivalents at Beginning of Year	106	82	76	58	325	165
Cash and Cash Equivalents at End of Year	$ 82	$ 76	$ 58	$ 325	$ 98	$ 144

Source: Capital IQ

A. Exhibits

Exhibit A - Reported Income Statements: YRC Worldwide Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended										12 Months Ended	
	12/31/2005	%	12/31/2006	%	12/31/2007	%	12/31/2008	%	12/31/2009	%	6/30/2010	%
Net Sales	$ 8,742	100.0%	$ 9,919	100.0%	$ 9,621	100.0%	$ 8,940	100.0%	$ 5,283	100.0%	$ 4,772	100.0%
Growth Rate	*n/a*		*13.5%*		*-3.0%*		*-7.1%*		*-40.9%*		*-9.7%*	
Cost of Sales	7,541	86.3%	8,645	87.2%	8,716	90.6%	8,326	93.1%	5,566	105.4%	4,632	97.1%
Gross Profit	1,201	13.7%	1,273	12.8%	905	9.4%	614	6.9%	(283)	-5.4%	140	2.9%
S,G&A Expenses	657	7.5%	710	7.2%	694	7.2%	675	7.6%	580	11.0%	504	10.6%
Operating Income	544	6.2%	563	5.7%	211	2.2%	(61)	-0.7%	(863)	-16.3%	(364)	-7.6%
Other Income (Expense)	(8)	-0.1%	(20)	-0.2%	(774)	-8.0%	(1,005)	-11.2%	134	2.5%	150	3.1%
EBIT	536	6.1%	544	5.5%	(563)	-5.9%	(1,066)	-11.9%	(729)	-13.8%	(213)	-4.5%
Interest Expense	(63)	-0.7%	(88)	-0.9%	(92)	-1.0%	(81)	-0.9%	(162)	-3.1%	(174)	-3.6%
Earnings Before Taxes	472	5.4%	456	4.6%	(655)	-6.8%	(1,147)	-12.8%	(891)	-16.9%	(387)	-8.1%
Income Taxes	(184)	-2.1%	(179)	-1.8%	14	0.2%	170	1.9%	269	5.1%	68	1.4%
Minority Interest	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1	0.0%
U.S. GAAP Adjustments	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Accounting Change & Extra Items	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Discountinued Operations	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	(4)	-0.1%
Net Income	288	3.3%	277	2.8%	(640)	-6.7%	(976)	-10.9%	(622)	-11.8%	(323)	-6.8%

Source: Capital IQ

Exhibit A: Ratio Analysis: YRC Worldwide Inc.

	For the Fiscal Year Ended				
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009
Activity Ratios					
Inventory Turnover	239.4	325.0	300.0	336.8	302.4
Receivables Turnover	7.5	8.3	8.0	10.1	8.9
Asset Turnover	1.5	1.7	1.9	2.3	1.7
Liquidity and Working Capital Ratios					
Current Ratio	0.9	1.1	0.9	0.8	0.9
Current Ratio (Net of Cash, NOAs, & IBD)	1.1	1.2	1.1	1.0	0.9
Net Working Capital / Net Sales	1.2%	2.8%	1.4%	-0.5%	-1.0%
Days in Accounts Receivable	49	44	46	36	41
+ Days in Inventories	2	1	1	1	1
- Days in Accounts Payable	(19)	(17)	(16)	(15)	(13)
Net Trade Cycle	31	28	30	22	29
Leverage and Coverage [a]					
Liabilities / Equity	2.0	1.7	2.1	7.2	17.1
Debt / (Debt + Equity)	43.5%	36.9%	43.4%	73.7%	87.1%
Assets / Equity	3.0	2.7	3.1	8.2	18.1
EBIT / Interest Expense	8.6	6.4	2.3	(0.7)	(5.3)
Total Debt / EBITDA	1.9	1.5	2.7	6.6	(1.9)
Debt / EV	35.7%	35.9%	54.2%	107.9%	74.1%
Profitability [a]					
Gross Profit Margin	13.7%	12.8%	9.4%	6.9%	-5.4%
EBITDA Margin	9.1%	8.4%	4.8%	2.3%	-11.5%
EBIT Margin	6.2%	5.7%	2.2%	-0.7%	-16.3%
Net Profit Margin	3.3%	2.9%	0.7%	-1.0%	-11.6%
Return on Assets	5.0%	4.9%	1.4%	-2.1%	-20.3%
Return on Equity	14.9%	13.0%	4.4%	-17.7%	-367.8%
Other Ratios [a]					
Depreciation and Amortization / Sales	2.9%	2.8%	2.6%	3.0%	4.8%
Net Capital Expenditures / Sales	2.9%	3.1%	3.5%	0.4%	-1.8%

[a] Ratios are calculated based on adjusted results.

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Arkansas Best Corporation

In Millions of U.S. Dollars	As of					
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Cash and Equivalents	$ 6	$ 5	$ 94	$ 101	$ 39	$ 80
Short-Term Investments	121	135	79	118	94	63
Accounts Reclevable - Trade	150	143	142	111	115	136
Other Receivables - Net	9	9	9	7	7	8
Prepaid Expenses	14	12	11	11	10	9
Other Current Assets - Total	70	47	47	61	119	94
Total Current Assets	**369**	**351**	**382**	**408**	**385**	**390**
Net Property and Equipment	**382**	**462**	**466**	**450**	**429**	**409**
Goodwill, Net	64	64	64	64	4	0
Other Assets	106	62	71	51	52	52
Total Other Assets	**170**	**126**	**135**	**115**	**56**	**52**
Total Assets	**$ 921**	**$ 939**	**$ 983**	**$ 972**	**$ 870**	**$ 852**

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Arkansas Best Corporation

In Millions of U.S. Dollars	As of					
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Accounts Payable	$ 54	$ 63	$ 60	$ 52	$ 59	$ 72
Accrued Expenses	100	88	79	67	73	152
Short-Term Debt	19	17	15	15	22	10
Current Portion of Long-Term Debt and Capital Leases	0	0	0	0	4	7
Other Current Liabilities	96	89	90	81	79	1
Total Current Liabilities	269	258	245	215	237	243
Long-Term Debt	1	1	0	0	0	0
Capital Lease Obligations	0	0	1	1	13	23
Other Liabilities	97	100	105	131	119	111
Total Long-Term Liabilities	98	101	106	132	132	134
Total Liabilities	367	359	351	348	369	377
Common Stock Net	0	0	0	0	0	0
Additional Paid-In Capital	243	250	259	268	275	278
Retained Earnings	347	416	458	471	328	298
Treasury Stock	(26)	(53)	(58)	(58)	(58)	(58)
Other Equity, Total	(10)	(34)	(27)	(58)	(44)	(42)
Total Stockholders' Equity	554	579	632	625	501	475
Total Liabilities & Stockholders' Equity	$ 921	$ 939	$ 983	$ 972	$ 870	$ 852

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Statements of Cash Flows: Arkansas Best Corporation

In Millions of U.S. Dollars	For the Fiscal Year Ended 12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12 Months Ended 6/30/2010
Net Income	$ 105	$ 84	$ 57	$ 29	$ (128)	$ (123)
Depreciation and Amortization	60	67	78	77	77	75
Amortization of Deferred Charges	0	0	0	0	0	0
Non-Cash Items	(19)	9	9	17	71	60
Changes in Working Capital	1	8	(0)	(18)	(8)	17
Net Cash Provided by (Used in) Operating Activities	**148**	**168**	**143**	**105**	**12**	**29**
Capital Expenditures	(93)	(147)	(97)	(59)	(48)	(39)
Other Investing Cash Flow Items, Total	(87)	3	51	(45)	19	61
Sale of Property, Plant, and Equipment	29	12	12	17	5	5
Cash Acquisitions	0	0	0	0	(5)	0
Net Cash Provided by (Used in) Investing Activities	**(151)**	**(132)**	**(33)**	**(86)**	**(29)**	**27**
Total Debt Issued-Total Debt Repaid	(2)	(2)	(4)	(0)	20	21
Total Dividends Paid	(14)	(15)	(15)	(15)	(16)	(9)
Issue/Retire of Common Stock, Net	(7)	(21)	(2)	3	0	1
Other Financing Activities, Total	(0)	2	(0)	1	(49)	(50)
Net Cash Provided by (Used in) Financing Activities	**(23)**	**(37)**	**(21)**	**(12)**	**(44)**	**(37)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(27)**	**(1)**	**89**	**7**	**(62)**	**18**
Cash and Cash Equivalents at Beginning of Year	32	6	5	94	101	62
Cash and Cash Equivalents at End of Year	**$ 6**	**$ 5**	**$ 94**	**$ 101**	**$ 39**	**$ 80**

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Income Statements: Arkansas Best Corporation

In Millions of U.S. Dollars	For the Fiscal Year Ended										12 Months Ended	
	12/31/2005	%	12/31/2006	%	12/31/2007	%	12/31/2008	%	12/31/2009	%	6/30/2010	%
Net Sales	$ 1,770	100.0%	$ 1,882	100.0%	$ 1,837	100.0%	$ 1,833	100.0%	$ 1,473	100.0%	$ 1,542	100.0%
Growth Rate	*n/a*		*6.3%*		*-2.4%*		*-0.2%*		*-19.6%*		*4.7%*	
Cost of Sales	1,427	80.6%	1,550	82.4%	1,590	86.5%	1,624	88.6%	1,418	96.3%	1,461	94.7%
Gross Profit	343	19.4%	331	17.6%	247	13.5%	209	11.4%	55	3.7%	81	5.3%
S,G&A Expenses	178	10.1%	210	11.2%	165	9.0%	164	8.9%	157	10.6%	172	11.2%
Operating Income	165	9.3%	121	6.4%	82	4.6%	46	2.5%	(102)	-6.9%	(91)	-5.9%
Other Income (Expense)	6	0.3%	11	0.6%	10	0.5%	6	0.3%	(62)	-4.2%	(63)	-4.1%
EBIT	171	9.6%	133	7.0%	92	5.0%	51	2.8%	(163)	-11.1%	(155)	-10.0%
Interest Expense	(2)	-0.1%	(1)	-0.1%	(1)	-0.1%	(1)	-0.1%	(2)	-0.2%	(3)	-0.2%
Earnings Before Taxes	168	9.5%	132	7.0%	91	4.9%	50	2.7%	(166)	-11.2%	(157)	-10.2%
Income Taxes	(66)	-3.7%	(51)	-2.7%	(34)	-1.8%	(21)	-1.1%	38	2.6%	35	2.2%
Minority Interest	0	0.0%	0	0.0%	0	0.0%	0	0.0%	(0)	0.0%	(0)	0.0%
Discountinued Operations	2	0.1%	4	0.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Net Income	105	5.9%	84	4.5%	57	3.1%	29	1.6%	(128)	-8.7%	(123)	-8.0%

Source: Capital IQ

Exhibit A: Ratio Analysis: Arkansas Best Corporation

	For the Fiscal Year Ended					12 Months Ended
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Activity Ratios						
Receivables Turnover	11.2	12.4	12.2	15.5	12.1	11.4
Asset Turnover	1.9	2.0	1.9	1.9	1.7	1.8
Liquidity and Working Capital Ratios						
Current Ratio	1.4	1.4	1.6	1.9	1.6	1.6
Current Ratio (Net of Cash, NOAs, & IBD)	1.5	1.4	1.3	1.5	1.6	1.4
Net Working Capital / Net Sales	6.4%	5.6%	3.2%	5.9%	9.1%	5.5%
Leverage and Coverage [a]						
Liabilities / Equity	0.7	0.6	0.6	0.6	0.7	0.8
Debt / (Debt + Equity)	3.6%	3.2%	2.6%	2.6%	7.2%	7.8%
Assets / Equity	1.7	1.6	1.6	1.6	1.7	1.8
EBIT / Interest Expense	n/m	n/m	69.1	38.5	(42.5)	(33.7)
Total Debt / EBITDA	0.1	0.1	0.1	0.1	(1.6)	(2.4)
Debt / EV	n/a	n/a	4.0%	3.1%	6.8%	9.2%
Profitability [a]						
Gross Profit Margin	19.4%	17.6%	13.5%	11.4%	3.7%	5.3%
EBITDA Margin	12.7%	10.0%	8.7%	6.7%	-1.7%	-1.1%
EBIT Margin	9.3%	6.4%	4.5%	2.5%	-6.9%	-5.9%
Net Profit Margin	5.5%	3.8%	2.6%	1.5%	-4.2%	-3.7%
Return on Assets	10.6%	7.7%	4.9%	2.7%	-7.2%	-6.6%
Return on Equity	17.6%	12.4%	7.7%	4.3%	-12.5%	-11.9%
Other Ratios [a]						
Depreciation and Amortization / Sales	3.4%	3.6%	4.2%	4.2%	5.2%	4.8%
Net Capital Expenditures / Sales	3.6%	7.2%	4.6%	2.3%	2.9%	2.2%

[a] Ratios are calculated based on adjusted results.

Exhibit A - Reported Balance Sheets: Allied Systems Holdings, Inc.

In Millions of U.S. Dollars

	12/31/2008	12/31/2009
Cash and Equivalents	$ 54	$ 41
Accounts Recievable - Trade	37	35
Total Inventory	4	3
Prepaid Expenses	25	22
Other Current Assets - Total	1	0
Total Current Assets	120	102
Net Property and Equipment	178	123
Goodwill, Net	21	5
Intangibles, Net	19	6
Long-Term Investments	35	25
Other Assets	49	76
Total Other Assets	123	113
Total Assets	$ 422	$ 337

Source: Allied Systems Holdings, Inc. Audited Financial Statements

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Allied Systems Holdings, Inc.

In Millions of U.S. Dollars

	12/31/2008	12/31/2009
Accounts Payable	$ 241	$ 22
Accrued Expenses	66	75
Current Portion of Long-Term Debt and Capital Leases	21	274
Total Current Liabilities	329	371
Total Long-Term Liabilities	134	99
Total Liabilities	463	471
Common Stock Net	0	0
Additional Paid-In Capital	118	119
Accumulated Defecit	(137)	(230)
Other Equity, Total	(22)	(23)
Total Stockholders' Equity	(41)	(133)
Total Liabilities & Stockholders' Equity	$ 422	$ 337

Source: Allied Systems Holdings, Inc. Audited Financial Statements

Exhibit A - Reported Income Statements: Allied Systems Holdings, Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended			
	12/31/2008	%	12/31/2009	%
Net Sales	$ 758	100.0%	$ 480	100.0%
Growth Rate	*n/a*		*-36.7%*	
Cost of Sales	478	63.0%	299	62.2%
Gross Profit	280	37.0%	181	37.8%
S,G&A Expenses	349	46.0%	254	53.0%
Operating Income	(68)	-9.0%	(73)	-15.3%
Other Income (Expense)	(18)	-2.3%	17	3.5%
EBIT	(86)	-11.3%	(57)	-11.8%
Interest Expense	(29)	-3.8%	(39)	-8.1%
Earnings Before Taxes	(115)	-15.2%	(96)	-19.9%
Income Taxes	2	0.2%	3	0.7%
Net Income	(113)	-15.0%	(92)	-19.3%

Source: Allied Systems Holdings, Inc. Audited Financial Statements

Exhibit A - Reported Statements of Cash Flows: Allied Systems Holdings, Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended	
	12/31/2008	12/31/2009
Net Income	$ (113)	$ (92)
Depreciation and Amortization	61	45
Other Items	78	38
Changes in Working Capital	(3)	7
Net Cash Provided by (Used in) Operating Activities	23	(3)
Capital Expenditures	(54)	(6)
Other Investing Cash Flow Items, Total	30	35
Cash Acquisitions	5	(41)
Net Cash Provided by (Used in) Investing Activities	(19)	(12)
Total Debt Issued-Total Debt Repaid	17	31
Issue/Retire of Preferred Stock, Net	(1)	0
Other Financing Activities, Total	0	(3)
Net Cash Provided by (Used in) Financing Activities	17	28
Foreign Exchange Effects	(2)	(0)
Net Increase (Decrease) in Cash and Cash Equivalents	19	13
Cash and Cash Equivalents at Beginning of Year	3	22
Cash and Cash Equivalents at End of Year	$ 22	$ 35

Source: Allied Systems Holdings, Inc. Audited Financial Statements

Exhibit A - Reported Balance Sheets: Jack Cooper Transport Company, Inc.

In Millions of U.S. Dollars

	12/31/2008	12/31/2009 [a]
Cash and Equivalents	$ 0.5	$ 0.6
Short-Term Investments	0.9	0
Accounts Recievable - Trade	13.0	5.6
Other Receivables - Net	0	4.1
Total Inventory	0	2.1
Prepaid Expenses	4.2	2.5
Other Current Assets - Total	0.6	2.3
Total Current Assets	**$ 19.2**	**$ 17.2**
Net Property and Equipment	**$ 53.0**	**$ 81.9**
Goodwill, Net	0	40.17
Deferred Financing	0	6.76
Total Other Assets	**$ 0.0**	**$ 46.9**
Total Assets	**$ 72.2**	**$ 146.0**

[a] Representative of the twelve month period ended December 31, 2009.
Source: Jack Cooper Transport Company, Inc. Audited Financial Statements

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Jack Cooper Transport Company, Inc.

In Millions of U.S. Dollars

	12/31/2008	12/31/2009 [a]
Accounts Payable	$ 5.1	$ 10.0
Accrued Wages	8.23	7.85
Short-Term Debt	16.64	0
Current Portion of Long-Term Debt and Capital Leases	4.80	16.46
Other Current Liabilities	6.83	7.33
Total Current Liabilities	**$ 41.6**	**$ 41.6**
Long-Term Debt, Including Capital Lease Obligations	34.03	56.22
Pension Liabilities	4.27	7.77
Other Liabilities	9.59	42.11
Total Long-Term Liabilities	**$ 47.9**	**$ 106.1**
Total Liabilities	**$ 89.5**	**$ 147.7**
Common Stock Net	0.25	0.25
Additional Paid-In Capital	1.06	27.11
Retained Earnings	(2.75)	(15.62)
Treasury Stock	(13.86)	(13.86)
Accumulated Other Comprehensive Income	(1.98)	0.41
Total Stockholders' Equity	**$ (17.3)**	**$ (1.7)**
Total Liabilities & Stockholders' Equity	**$ 72.2**	**$ 146.0**

[a] Representative of the twelve month period ended December 31, 2009.
Source: Jack Cooper Transport Company, Inc. Audited Financial Statements

A. EXHIBITS

Exhibit A - Reported Income Statements: Jack Cooper Transport Company, Inc.

In Millions of U.S. Dollars

	12/31/2007	%	12/31/2008	%	12/31/2009 [a]	%
Net Sales	$ 254.7	100.0%	$ 267.6	100.0%	$ 165.6	100.0%
Growth Rate	*n/a*		5.1%		-38.1%	
Cost of Sales	$ 251.0	98.6%	$ 274.1	102.4%	$ 188.8	114.0%
Gross Profit	$ 3.7	1.4%	$ (6.5)	-2.4%	$ (23.2)	-14.0%
S,G&A Expenses	$ 9.0	3.6%	$ 10.7	4.0%	$ 11.5	7.0%
Operating Income	$ (5.4)	-2.1%	$ (17.2)	-6.4%	$ (34.7)	-21.0%
Other Income (Expense)	$ 1.3	0.5%	$ 0.2	0.1%	$ (2.8)	-1.7%
EBIT	$ (4.0)	-1.6%	$ (17.1)	-6.4%	$ (37.5)	-22.7%
Interest Expense	$ (4.4)	-1.7%	$ (4.2)	-1.6%	$ (5.6)	-3.4%
Earnings Before Taxes	$ (8.4)	-3.3%	$ (21.3)	-8.0%	$ (43.1)	-26.0%
Income Tax Benefit	$ 0	0.0%	$ 0	0.0%	$ 8.9	5.4%
Net Income	$ (8.4)	-3.3%	$ (21.3)	-8.0%	$ (34.2)	-20.7%

[a] Representative of the twelve month period ended December 31, 2009.
Source: Jack Cooper Transport Company, Inc. Audited Financial Statements

A. EXHIBITS

Exhibit A - Reported Statements of Cash Flows: Jack Cooper Transport Company, Inc.

In Millions of U.S. Dollars

	12/31/2007	12/31/2008	12/31/2009 [a]
Net Income	$ (8)	$ (21)	$ (34)
Depreciation and Amortization	15	14	16
Non-Cash Items	(3)	3	(9)
Changes in Working Capital	(10)	5	23
Net Cash Provided by (Used in) Operating Activities	**(5.6)**	**1.1**	**(4.4)**
Capital Expenditures	(9)	(8)	(14)
Other Investing Cash Flow Items, Total	1	0	1
Sale of Property, Plant, and Equipment	8	2	2
Cash Acquisitions	0	0	0
Net Cash Provided by (Used in) Investing Activities	**0.5**	**(5.2)**	**(10.7)**
Total Debt Issued-Total Debt Repaid	9	4	14
Total Dividends Paid	(3)	(1)	0
Capital Contriubtion from Shareholder	0	0	2
Other Financing Activities, Total	0	0	(1)
Net Cash Provided by (Used in) Financing Activities	**6.5**	**2.4**	**15.5**
Net Increase (Decrease) in Cash and Cash Equivalents	**1**	**(2)**	**0.3**
Cash and Cash Equivalents at Beginning of Year	1	2	0
Cash and Cash Equivalents at End of Year	**$ 2.3**	**$ 0.5**	**$ 0.8**

[a] Representative of the twelve month period ended December 31, 2009.
Source: Jack Cooper Transport Company, Inc. Audited Financial Statements

A. EXHIBITS

Exhibit A - Reported Balance Sheets: SUPERVALU Inc.

In Millions of U.S. Dollars	As of					
	2/25/2006	2/24/2007	2/23/2008	2/28/2009	2/27/2010	6/19/2010
Cash and Equivalents	$ 801	$ 285	$ 243	$ 240	$ 211	$ 198
Short-Term Investments	0	0	0	0	0	0
Accounts Reclevable - Trade	439	957	951	874	814	805
Other Receivables - Net	0	0	0	0	0	0
Total Inventory	954	2,749	2,776	2,709	2,342	2,329
Prepaid Expenses	0	0	0	0	0	0
Other Current Assets - Total	89	469	177	282	344	174
Total Current Assets	**2,283**	**4,460**	**4,147**	**4,105**	**3,711**	**3,506**
Net Property and Equipment	**1,969**	**8,415**	**7,533**	**7,528**	**7,026**	**6,902**
Goodwill, Net	1,614	5,921	6,957	3,748	3,698	3,700
Intangibles, Net	94	2,450	1,952	1,584	1,493	1,476
Long-Term Investments	0	0	0	0	0	0
Deferred Tax Assets	0	0	0	0	0	0
Other Assets	193	456	473	639	508	539
Total Other Assets	**1,901**	**8,827**	**9,382**	**5,971**	**5,699**	**5,715**
Total Assets	**$ 6,153**	**$ 21,702**	**$ 21,062**	**$ 17,604**	**$ 16,436**	**$ 16,123**

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Balance Sheets: SUPERVALU Inc.

In Millions of U.S. Dollars	As of					
	2/25/2006	2/24/2007	2/23/2008	2/28/2009	2/27/2010	6/19/2010
Accounts Payable	$ 1,147	$ 2,741	$ 2,579	$ 2,441	$ 2,199	$ 2,412
Accrued Expenses	230	807	775	626	578	0
Short-Term Debt	0	0	0	0	0	301
Current Portion of Long-Term Debt and Capital Leases	112	286	331	516	613	679
Other Current Liabilities	133	871	922	889	779	723
Total Current Liabilities	1,622	4,705	4,607	4,472	4,167	4,115
Long-Term Debt	974	7,863	8,502	7,968	5,824	6,720
Capital Lease Obligations	432	1,329	0	0	1,198	0
Minority Interest	0	0	0	0	0	0
Other Liabilities	506	2,499	2,000	2,583	2,360	2,341
Total Long-Term Liabilities	1,912	11,691	10,502	10,551	9,382	9,061
Total Liabilities	3,534	16,396	15,109	15,023	13,549	13,176
Total Preferred Equity	0	0	0	0	0	0
Common Stock Net	151	229	230	230	230	230
Additional Paid-In Capital	132	2,708	2,822	2,853	2,857	2,853
Retained Earnings	2,777	3,103	3,543	542	806	854
Treasury Stock	(313)	(499)	(547)	(541)	(528)	(523)
ESOP Debt Guarantee	0	0	0	0	0	0
Other Equity, Total	(128)	(235)	(95)	(503)	(478)	(467)
Total Stockholders' Equity	2,619	5,306	5,953	2,581	2,887	2,947
Total Liabilities & Stockholders' Equity	$ 6,153	$ 21,702	$ 21,062	$ 17,604	$ 16,436	$ 16,123

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: SUPERVALU Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended 2/24/2007	2/23/2008	2/28/2009	2/27/2010	12 Months Ended 6/19/2010
Net Income	$ 452	$ 593	$ (2,855)	$ 393	$ 347
Depreciation and Amortization	879	1,017	1,057	957	948
Non-Cash Items	109	(16)	3,663	258	263
Changes in Working Capital	(639)	138	(331)	(134)	(239)
Net Cash Provided by (Used in) Operating Activities	**801**	**1,732**	**1,534**	**1,474**	**1,319**
Capital Expenditures	(837)	(1,191)	(1,186)	(681)	(616)
Other Investing Cash Flow Items, Total	290	28	55	7	13
Sale of Property, Plant, and Equipment	189	195	117	215	284
Cash Acquisitions	(2,402)	0	0	0	0
Net Cash Provided by (Used in) Investing Activities	**(2,760)**	**(968)**	**(1,014)**	**(459)**	**(319)**
Total Debt Issued-Total Debt Repaid	1,823	(651)	(366)	(887)	(955)
Total Dividends Paid	(113)	(142)	(145)	(147)	(111)
Issue/Retire of Common Stock, Net	32	(65)	(12)	0	0
Other Financing Activities, Total	(299)	52	0	(10)	(11)
Net Cash Provided by (Used in) Financing Activities	**1,443**	**(806)**	**(523)**	**(1,044)**	**(1,077)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(516)**	**(42)**	**(3)**	**(29)**	**(77)**
Cash and Cash Equivalents at Beginning of Year	244	(272)	(314)	(317)	275
Cash and Cash Equivalents at End of Year	**$ (272)**	**$ (314)**	**$ (317)**	**$ (346)**	**$ 198**

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Income Statements: SUPERVALU Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended										12 Months Ended	
	2/25/2006	%	2/24/2007	%	2/23/2008	%	2/28/2009	%	2/27/2010	%	6/19/2010	%
Net Sales	$ 19,864	100.0%	$ 37,406	100.0%	$ 44,048	100.0%	$ 44,564	100.0%	$ 40,597	100.0%	$ 39,427	100.0%
Growth Rate	*n/a*		*88.3%*		*17.8%*		*1.2%*		*-8.9%*		*-2.9%*	
Cost of Sales	16,920	85.2%	29,267	78.2%	33,943	77.1%	34,451	77.3%	31,444	77.5%	30,524	77.4%
Gross Profit	2,944	14.8%	8,139	21.8%	10,105	22.9%	10,113	22.7%	9,153	22.5%	8,903	22.6%
S,G&A Expenses	2,436	12.3%	6,773	18.1%	8,316	18.9%	8,563	19.2%	7,867	19.4%	7,668	19.4%
Operating Income	508	2.6%	1,366	3.7%	1,789	4.1%	1,550	3.5%	1,286	3.2%	1,235	3.1%
Other Income (Expense)	(40)	-0.2%	(19)	-0.1%	(87)	-0.2%	(3,696)	-8.3%	(78)	-0.2%	(88)	-0.2%
EBIT	468	2.4%	1,347	3.6%	1,702	3.9%	(2,146)	-4.8%	1,208	3.0%	1,147	2.9%
Interest Expense	(139)	-0.7%	(600)	-1.6%	(725)	-1.6%	(633)	-1.4%	(576)	-1.4%	(573)	-1.5%
Earnings Before Taxes	329	1.7%	747	2.0%	977	2.2%	(2,779)	-6.2%	632	1.6%	574	1.5%
Income Taxes	(123)	-0.6%	(295)	-0.8%	(384)	-0.9%	(76)	-0.2%	(239)	-0.6%	(227)	-0.6%
Net Income	206	1.0%	452	1.2%	593	1.3%	(2,855)	-6.4%	393	1.0%	347	0.9%

Source: Capital IQ

Exhibit A: Ratio Analysis: SUPERVALU Inc.

	For the Fiscal Year Ended				12 Months Ended
	2/24/2007	2/23/2008	2/28/2009	2/27/2010	6/19/2010
Activity Ratios					
Inventory Turnover	10.6	12.2	12.7	13.4	13.1
Receivables Turnover	39.1	46.3	51.0	49.9	49.0
Asset Turnover	1.7	2.1	2.5	2.5	2.4
Liquidity and Working Capital Ratios					
Current Ratio	0.9	0.9	0.9	0.9	0.9
Current Ratio (Net of Cash, NOAs, & IBD)	0.9	0.9	1.0	1.0	1.1
Net Working Capital / Net Sales	-0.7%	-0.8%	-0.2%	-0.1%	0.4%
Days in Accounts Receivable	9	8	7	7	7
+ Days in Inventories	34	30	29	27	28
- Days in Accounts Payable	(34)	(28)	(26)	(26)	(29)
Net Trade Cycle	9	10	10	9	6
Leverage and Coverage [a]					
Liabilities / Equity	3.1	2.5	5.8	4.7	4.5
Debt / (Debt + Equity)	64.1%	59.7%	76.7%	72.6%	72.3%
Assets / Equity	4.1	3.5	6.8	5.7	5.5
EBIT / Interest Expense	2.3	2.5	2.6	2.2	2.2
Total Debt / EBITDA	4.2	3.1	3.2	3.4	3.5
Debt / EV	n/a	n/a	69.5%	66.1%	75.8%
Profitability [a]					
Gross Profit Margin	21.8%	22.9%	22.7%	22.5%	22.6%
EBITDA Margin	6.0%	6.4%	6.0%	5.5%	5.5%
EBIT Margin	3.7%	4.1%	3.7%	3.2%	3.1%
Net Profit Margin	1.3%	1.5%	1.3%	1.1%	1.0%
Return on Assets	2.2%	3.0%	3.4%	2.6%	2.5%
Return on Equity	8.9%	10.7%	23.1%	14.9%	13.5%
Other Ratios [a]					
Depreciation and Amortization / Sales	2.3%	2.3%	2.4%	2.4%	2.4%
Net Capital Expenditures / Sales	1.7%	2.3%	2.4%	1.1%	0.8%

[a] Ratios are calculated based on adjusted results.

A. EXHIBITS

Exhibit A - Reported Balance Sheets: The Kroger Co.

In Millions of U.S. Dollars	As of					
	1/28/2006	2/3/2007	2/2/2008	1/31/2009	1/30/2010	5/22/2010
Cash and Equivalents	$ 210	$ 189	$ 242	$ 263	$ 424	$ 602
Short-Term Investments	0	0	0	0	0	0
Accounts Recievable - Trade	680	778	786	944	909	828
Other Receivables - Net	6	0	0	0	0	0
Total Inventory	4,486	4,609	4,849	4,905	4,902	4,772
Prepaid Expenses	296	265	255	209	261	302
Other Current Assets - Total	788	914	976	931	954	678
Total Current Assets	6,466	6,755	7,108	7,252	7,450	7,182
Net Property and Equipment	11,365	11,779	12,498	13,161	13,929	13,976
Goodwill, Net	2,192	2,192	2,144	2,271	1,158	1,158
Intangibles, Net	0	0	0	0	0	0
Long-Term Investments	0	0	0	0	26	0
Deferred Tax Assets	0	0	0	0	0	0
Other Assets	459	489	543	573	530	565
Total Other Assets	2,651	2,681	2,687	2,844	1,714	1,723
Total Assets	$ 20,482	$ 21,215	$ 22,293	$ 23,257	$ 23,093	$ 22,881

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Balance Sheets: The Kroger Co.

In Millions of U.S. Dollars	As of					
	1/28/2006	2/3/2007	2/2/2008	1/31/2009	1/30/2010	5/22/2010
Accounts Payable	$ 3,546	$ 3,804	$ 3,867	$ 3,822	$ 3,890	$ 3,963
Accrued Expenses	780	796	832	845	813	832
Short-Term Debt	0	0	0	0	0	0
Current Portion of Long-Term Debt and Capital Leases	554	906	1,592	558	579	528
Other Current Liabilities	1,835	2,075	2,392	2,421	2,432	2,478
Total Current Liabilities	6,715	7,581	8,683	7,646	7,714	7,801
Long-Term Debt	6,651	5,721	6,119	7,114	7,084	6,609
Capital Lease Obligations	0	433	410	391	393	388
Minority Interest	0	0	0	95	74	(2)
Other Liabilities	2,726	2,557	2,167	2,806	2,996	2,977
Total Long-Term Liabilities	9,377	8,711	8,696	10,406	10,547	9,972
Total Liabilities	16,092	16,292	17,379	18,052	18,261	17,773
Total Preferred Equity	0	0	0	0	0	0
Common Stock Net	927	937	947	955	958	959
Additional Paid-In Capital	2,536	2,755	3,031	3,266	3,361	3,364
Retained Earnings	4,573	5,501	6,480	7,518	7,344	7,676
Treasury Stock	(3,403)	(4,011)	(5,422)	(6,039)	(6,238)	(6,314)
Other Equity, Total	(243)	(259)	(122)	(495)	(593)	(577)
Total Stockholders' Equity	4,390	4,923	4,914	5,205	4,832	5,108
Total Liabilities & Stockholders' Equity	$ 20,482	$ 21,215	$ 22,293	$ 23,257	$ 23,093	$ 22,881

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Statements of Cash Flows: The Kroger Co.

In Millions of U.S. Dollars	For the Fiscal Year Ended					12 Months Ended
	1/28/2006	2/3/2007	2/2/2008	1/31/2009	1/30/2010	5/22/2010
Net Income	$ 958	$ 1,115	$ 1,209	$ 1,249	$ 70	$ 9
Depreciation and Amortization	1,265	1,272	1,355	1,443	1,525	1,550
Non-Cash Items	148	243	247	636	1,586	1,536
Changes in Working Capital	(179)	(279)	(230)	(432)	(259)	92
Net Cash Provided by (Used In) Operating Activities	2,192	2,351	2,581	2,896	2,922	3,187
Capital Expenditures	(1,306)	(1,683)	(2,126)	(2,149)	(2,297)	(2,204)
Other Investing Cash Flow Items, Total	(42)	(47)	(51)	(9)	(14)	(12)
Sale of Property, Plant, and Equipment	69	143	49	59	20	22
Cash Acquisitions	0	0	(90)	(80)	(36)	(43)
Net Cash Provided by (Used In) Investing Activities	(1,279)	(1,587)	(2,218)	(2,179)	(2,327)	(2,237)
Total Debt Issued-Total Debt Repaid	(672)	(193)	1,091	(110)	(36)	(456)
Total Dividends Paid	0	(140)	(202)	(227)	(238)	(240)
Issue/Retire of Common Stock, Net	(174)	(465)	(1,233)	(465)	(167)	(217)
Other Financing Activities, Total	(1)	13	34	33	7	(73)
Net Cash Provided by (Used In) Financing Activities	(847)	(785)	(310)	(769)	(434)	(986)
Miscellaneous Cash Flow Adjustment	0	0	0	73	0	0
Net Increase (Decrease) in Cash and Cash Equivalents	66	(21)	53	21	161	(36)
Cash and Cash Equivalents at Beginning of Year	144	210	189	242	263	638
Cash and Cash Equivalents at End of Year	$ 210	$ 189	$ 242	$ 263	$ 424	$ 602

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Income Statements: The Kroger Co.

In Millions of U.S. Dollars	For the Fiscal Year Ended										12 Months Ended	
	1/28/2006	%	2/3/2007	%	2/2/2008	%	1/31/2009	%	1/30/2010	%	5/22/2010	%
Net Sales	$ 60,553	100.0%	$ 66,111	100.0%	$ 70,336	100.0%	$ 76,148	100.0%	$ 76,733	100.0%	$ 78,708	100.0%
Growth Rate	*n/a*		*9.2%*		*6.4%*		*8.3%*		*0.8%*		*2.6%*	
Cost of Sales	45,067	74.4%	49,607	75.0%	53,205	75.6%	58,012	76.2%	58,429	76.1%	60,331	76.7%
Gross Profit	15,486	25.6%	16,504	25.0%	17,131	24.4%	18,136	23.8%	18,304	23.9%	18,377	23.3%
S,G&A Expenses	13,403	22.1%	14,207	21.5%	14,745	21.0%	15,658	20.6%	16,052	20.9%	16,246	20.6%
Operating Income	2,083	3.4%	2,297	3.5%	2,386	3.4%	2,478	3.3%	2,252	2.9%	2,131	2.7%
Other Income (Expense)	(48)	-0.1%	(61)	-0.1%	(24)	0.0%	(26)	0.0%	(1,161)	-1.5%	(1,161)	-1.5%
EBIT	2,035	3.4%	2,236	3.4%	2,362	3.4%	2,452	3.2%	1,091	1.4%	970	1.2%
Interest Expense	(510)	-0.8%	(488)	-0.7%	(474)	-0.7%	(485)	-0.6%	(502)	-0.7%	(471)	-0.6%
Earnings Before Taxes	1,525	2.5%	1,748	2.6%	1,888	2.7%	1,967	2.6%	589	0.8%	499	0.6%
Income Taxes	(567)	-0.9%	(633)	-1.0%	(664)	-0.9%	(717)	-0.9%	(532)	-0.7%	(498)	-0.6%
Minority Interest	0	0.0%	0	0.0%	(15)	0.0%	(1)	0.0%	13	0.0%	8	0.0%
Net Income	958	1.6%	1,115	1.7%	1,209	1.7%	1,249	1.6%	70	0.1%	9	0.0%

Source: Capital IQ

A. EXHIBITS

'Exhibit A: Ratio Analysis: The Kroger Co.

	For the Fiscal Year Ended					12 Months Ended
	1/28/2006	2/3/2007	2/2/2008	1/31/2009	1/30/2010	5/22/2010
Activity Ratios						
Inventory Turnover	10.0	10.8	11.0	11.8	11.9	12.6
Receivables Turnover	89.0	85.0	89.5	80.7	84.4	95.1
Asset Turnover	3.0	3.1	3.2	3.3	3.3	3.4
Liquidity and Working Capital Ratios						
Current Ratio	1.0	0.9	0.8	0.9	1.0	0.9
Current Ratio (Net of Cash, NOAs, & IBD)	1.0	1.0	1.0	1.0	1.0	0.9
Net Working Capital / Net Sales	0.2%	-0.2%	-0.3%	-0.1%	-0.1%	-0.9%
Days in Accounts Receivable	4	4	4	5	4	4
+ Days in Inventories	36	34	33	31	31	29
- Days in Accounts Payable	(29)	(28)	(27)	(24)	(24)	(24)
Net Trade Cycle	12	10	11	11	11	9
Leverage and Coverage [a]						
Liabilities / Equity	3.7	3.3	3.5	3.5	3.8	3.5
Debt / (Debt + Equity)	62.1%	58.9%	62.3%	60.8%	62.5%	59.6%
Assets / Equity	4.7	4.3	4.5	4.5	4.8	4.5
EBIT / Interest Expense	4.1	4.8	5.4	5.4	4.6	4.4
Total Debt / EBITDA	2.1	2.0	2.1	2.0	2.1	2.1
Debt / EV	35.2%	28.1%	32.7%	35.8%	37.4%	35.1%
Profitability [a]						
Gross Profit Margin	25.6%	25.0%	24.4%	23.8%	23.9%	23.3%
EBITDA Margin	5.6%	5.5%	5.5%	5.3%	5.0%	4.6%
EBIT Margin	3.5%	3.6%	3.6%	3.5%	3.0%	2.7%
Net Profit Margin	1.6%	1.7%	1.8%	1.7%	1.4%	1.2%
Return on Assets	4.7%	5.3%	5.6%	5.5%	4.7%	4.3%
Return on Equity	21.9%	22.7%	25.2%	24.7%	22.3%	19.1%
Other Ratios [a]						
Depreciation and Amortization / Sales	2.1%	1.9%	1.9%	1.9%	2.0%	2.0%
Net Capital Expenditures / Sales	2.0%	2.3%	3.0%	2.7%	3.0%	2.8%

[a] Ratios are calculated based on adjusted results.

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Spartan Stores Inc.

In Millions of U.S. Dollars	As of					
	3/25/2006	3/31/2007	3/29/2008	3/28/2009	3/27/2010	6/19/2010
Cash and Equivalents	$ 8	$ 12	$ 20	$ 7	$ 9	$ 6
Accounts Recievable - Trade	45	45	60	51	55	54
Total Inventory	96	107	113	114	118	128
Prepaid Expenses	5	7	9	10	9	11
Other Current Assets - Total	13	14	10	5	6	4
Total Current Assets	**168**	**185**	**212**	**187**	**196**	**202**
Net Property and Equipment	**115**	**143**	**183**	**235**	**248**	**246**
Goodwill, Net	73	143	187	249	248	248
Intangibles, Net	0	7	12	14	12	0
Deferred Tax Assets	9	0	0	0	0	0
Other Assets	14	9	16	39	49	61
Total Other Assets	**96**	**159**	**215**	**302**	**309**	**309**
Total Assets	**$ 379**	**$ 487**	**$ 610**	**$ 723**	**$ 753**	**$ 756**

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Spartan Stores Inc.

In Millions of U.S. Dollars	As of					
	3/25/2006	3/31/2007	3/29/2008	3/28/2009	3/27/2010	6/19/2010
Accounts Payable	$ 91	$ 94	$ 113	$ 97	$ 115	$ 122
Accrued Expenses	48	53	59	64	62	55
Current Portion of Long-Term Debt and Capital Leases	2	2	11	4	4	4
Other Current Liabilities	7	9	9	0	0	0
Total Current Liabilities	147	158	192	166	180	181
Long-Term Debt	64	106	144	195	138	177
Capital Lease Obligations	0	0	0	0	44	0
Other Liabilities	22	50	68	116	117	120
Total Long-Term Liabilities	86	157	212	311	299	297
Total Liabilities	233	315	403	476	480	478
Common Stock Net	123	126	131	154	158	158
Retained Earnings	25	46	77	108	129	134
Other Equity, Total	(3)	0	(1)	(14)	(13)	(13)
Total Stockholders' Equity	145	173	207	247	274	278
Total Liabilities & Stockholders' Equity	$ 379	$ 487	$ 610	$ 723	$ 753	$ 756

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: Spartan Stores Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended					12 Months Ended
	3/25/2006	3/31/2007	3/29/2008	3/28/2009	3/27/2010	6/19/2010
Net Income	$ 18	$ 25	$ 33	$ 37	$ 26	$ 25
Depreciation and Amortization	20	21	24	29	35	35
Amortization of Deferred Charges	0	0	0	0	0	0
Non-Cash Items	14	22	27	22	26	30
Changes in Working Capital	(2)	(8)	(13)	(8)	2	(5)
Net Cash Provided by (Used in) Operating Activities	**50**	**60**	**71**	**80**	**89**	**84**
Capital Expenditures	(29)	(27)	(40)	(57)	(50)	(46)
Other Investing Cash Flow Items, Total	(1)	2	3	14	(1)	(1)
Sale of Property, Plant, and Equipment	2	3	0	0	0	0
Cash Acquisitions	0	(54)	(49)	(103)	(6)	(6)
Divestitures	0	0	1	0	0	0
Net Cash Provided by (Used in) Investing Activities	**(28)**	**(76)**	**(85)**	**(146)**	**(58)**	**(54)**
Total Debt Issued-Total Debt Repaid	(29)	22	29	54	(24)	(28)
Total Dividends Paid	(1)	(4)	(4)	(4)	(4)	(4)
Issue/Retire of Common Stock, Net	1	3	1	1	0	0
Other Financing Activities, Total	(1)	(0)	(4)	2	0	0
Net Cash Provided by (Used in) Financing Activities	**(30)**	**20**	**22**	**53**	**(28)**	**(31)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(7)**	**4**	**8**	**(13)**	**3**	**(1)**
Cash and Cash Equivalents at Beginning of Year	15	8	12	20	7	8
Cash and Cash Equivalents at End of Year	**$ 8**	**$ 12**	**$ 20**	**$ 7**	**$ 9**	**$ 6**

Source: Capital IQ

A. Exhibits

Exhibit A - Reported Income Statements: Spartan Stores Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended										12 Months Ended	
	3/25/2006	%	3/31/2007	%	3/29/2008	%	3/28/2009	%	3/27/2010	%	6/19/2010	%
Net Sales	$ 1,873	100.0%	$ 2,206	100.0%	$ 2,477	100.0%	$ 2,577	100.0%	$ 2,552	100.0%	$ 2,533	100.0%
Growth Rate	*n/a*		*17.8%*		*12.3%*		*4.0%*		*-1.0%*		*-0.7%*	
Cost of Sales	1,528	81.6%	1,775	80.4%	1,982	80.0%	2,041	79.2%	1,993	78.1%	1,981	78.2%
Gross Profit	345	18.4%	431	19.6%	495	20.0%	536	20.8%	559	21.9%	553	21.8%
S,G&A Expenses	310	16.6%	378	17.1%	433	17.5%	463	18.0%	493	19.3%	488	19.3%
Operating Income	35	1.9%	53	2.4%	62	2.5%	73	2.8%	66	2.6%	64	2.5%
Other Income (Expense)	0	0.0%	(4)	-0.2%	0	0.0%	0	0.0%	(7)	-0.3%	(7)	-0.3%
EBIT	35	1.9%	49	2.2%	62	2.5%	73	2.8%	59	2.3%	57	2.3%
Interest Expense	(7)	-0.4%	(12)	-0.5%	(14)	-0.6%	(14)	-0.5%	(16)	-0.6%	(16)	-0.6%
Earnings Before Taxes	28	1.5%	37	1.7%	48	1.9%	59	2.3%	42	1.7%	41	1.6%
Income Taxes	(10)	-0.5%	(13)	-0.6%	(17)	-0.7%	(24)	-0.9%	(16)	-0.6%	(16)	-0.6%
Discountinued Operations	(0)	0.0%	1	0.0%	2	0.1%	2	0.1%	(0)	0.0%	(0)	0.0%
Net Income	18	1.0%	25	1.1%	33	1.3%	37	1.4%	26	1.0%	25	1.0%

Source: Capital IQ

Exhibit A: Ratio Analysis: Spartan Stores Inc.

	For the Fiscal Year Ended					12 Months Ended
	3/25/2006	3/31/2007	3/29/2008	3/28/2009	3/27/2010	6/19/2010
Activity Ratios						
Inventory Turnover	15.9	16.6	17.5	17.9	17.0	15.5
Receivables Turnover	41.4	48.7	41.4	50.1	46.8	47.2
Asset Turnover	4.9	4.5	4.1	3.6	3.4	3.3
Liquidity and Working Capital Ratios						
Current Ratio	1.1	1.2	1.1	1.1	1.1	1.1
Current Ratio (Net of Cash, NOAs, & IBD)	1.1	1.1	1.1	1.1	1.1	1.1
Net Working Capital / Net Sales	0.8%	0.8%	0.5%	0.7%	0.4%	0.7%
Days in Accounts Receivable	9	8	9	7	8	8
+ Days in Inventories	23	22	21	20	22	24
- Days in Accounts Payable	(22)	(19)	(21)	(17)	(21)	(22)
Net Trade Cycle	10	10	9	10	8	9
Leverage and Coverage [a]						
Liabilities / Equity	1.6	1.8	2.0	1.9	1.8	1.7
Debt / (Debt + Equity)	31.1%	38.7%	42.8%	44.5%	40.4%	39.4%
Assets / Equity	2.6	2.8	3.0	2.9	2.7	2.7
EBIT / Interest Expense	5.0	4.4	4.7	5.2	4.0	4.0
Total Debt / EBITDA	1.2	1.5	1.7	1.9	1.9	1.8
Debt / EV	20.1%	15.7%	25.0%	34.9%	35.6%	35.6%
Profitability [a]						
Gross Profit Margin	18.4%	19.6%	20.0%	20.8%	21.9%	21.8%
EBITDA Margin	3.0%	3.4%	3.6%	4.0%	3.9%	3.9%
EBIT Margin	1.9%	2.4%	2.6%	2.9%	2.6%	2.5%
Net Profit Margin	0.9%	1.1%	1.2%	1.4%	1.2%	1.1%
Return on Assets	4.6%	5.1%	5.0%	5.0%	3.9%	3.8%
Return on Equity	11.9%	14.4%	14.7%	14.6%	10.8%	10.3%
Other Ratios [a]						
Depreciation and Amortization / Sales	1.1%	1.0%	1.0%	1.1%	1.4%	1.4%
Net Capital Expenditures / Sales	1.4%	1.1%	1.6%	2.2%	2.0%	1.8%

[a] Ratios are calculated based on adjusted results.

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Sara Lee Corp.

In Millions of U.S. Dollars	As of				
	7/1/2006	6/30/2007	6/28/2008	6/27/2009	7/3/2010
Cash and Equivalents	$ 2,231	$ 2,517	$ 1,284	$ 951	$ 955
Short-Term Investments	0	0	0	0	0
Accounts Reclevable - Trade	1,216	1,277	1,491	1,272	1,187
Other Receivables - Net	0	0	0	0	0
Total Inventory	919	1,040	1,220	766	746
Prepaid Expenses	0	0	0	0	0
Other Current Assets - Total	2,491	374	472	841	922
Total Current Assets	6,857	5,208	4,467	3,830	3,810
Net Property and Equipment	2,319	2,393	2,519	2,200	2,070
Goodwill, Net	2,774	2,698	2,223	1,295	1,261
Intangibles, Net	1,049	1,002	1,021	587	504
Long-Term Investments	0	0	0	0	0
Deferred Tax Assets	0	137	295	298	225
Other Assets	1,661	317	305	1,209	966
Total Other Assets	5,484	4,154	3,844	3,389	2,956
Total Assets	$ 14,660	$ 11,755	$ 10,830	$ 9,419	$ 8,836

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Sara Lee Corp.

In Millions of U.S. Dollars	As of				
	7/1/2006	6/30/2007	6/28/2008	6/27/2009	7/3/2010
Accounts Payable	$ 1,022	$ 1,127	$ 1,258	$ 1,004	$ 1,005
Accrued Expenses	1,958	1,674	1,639	1,425	1,350
Short-Term Debt	1,776	23	280	20	47
Current Portion of Long-Term Debt and Capital Leases	366	1,427	568	46	16
Other Current Liabilities	1,241	137	54	351	305
Total Current Liabilities	**6,361**	**4,388**	**3,799**	**2,846**	**2,723**
Long-Term Debt	3,806	2,770	2,340	2,738	2,693
Capital Lease Obligations	0	0	0	0	25
Minority Interest	63	14	19	34	28
Other Liabilities	1,981	2,040	1,861	1,765	1,880
Total Long-Term Liabilities	**5,850**	**4,824**	**4,220**	**4,537**	**4,626**
Total Liabilities	**12,211**	**9,212**	**8,019**	**7,383**	**7,349**
Total Preferred Equity	0	0	0	0	0
Common Stock Net	8	7	7	7	7
Additional Paid-In Capital	62	0	7	17	17
Retained Earnings	3,855	3,413	2,760	2,721	2,472
Treasury Stock	0	0	0	0	0
ESOP Debt Guarantee	0	0	0	0	0
Other Equity, Total	(1,476)	(877)	37	(709)	(1,009)
Total Stockholders' Equity	**2,449**	**2,543**	**2,811**	**2,036**	**1,487**
Total Liabilities & Stockholders' Equity	**$ 14,660**	**$ 11,755**	**$ 10,830**	**$ 9,419**	**$ 8,836**

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: Sara Lee Corp.

In Millions of U.S. Dollars	For the Fiscal Year Ended				
	7/1/2006	6/30/2007	6/28/2008	6/27/2009	7/3/2010
Net Income	$ 555	$ 504	$ (79)	$ 364	$ 506
Depreciation and Amortization	549	514	489	465	455
Non-Cash Items	205	(172)	542	(54)	104
Changes in Working Capital	(44)	(354)	(332)	119	(105)
Net Cash Provided by (Used In) Operating Activities	1,265	492	620	894	960
Capital Expenditures	(615)	(529)	(454)	(357)	(373)
Other Investing Cash Flow Items, Total	(10)	561	90	(160)	166
Sale of Property, Plant, and Equipment	86	70	38	38	22
Cash Acquisitions	(78)	0	0	(10)	0
Divestitures	982	466	130	203	133
Net Cash Provided by (Used In) Investing Activities	365	568	(196)	(286)	(52)
Total Debt Issued-Total Debt Repaid	1,098	759	(1,205)	(363)	(6)
Total Dividends Paid	(605)	(374)	(296)	(302)	(308)
Issue/Retire of Common Stock, Net	(534)	(648)	(310)	(102)	(487)
Net Cash Provided by (Used In) Financing Activities	(41)	(913)	(1,811)	(767)	(801)
Foreign Exchange Effects	86	128	165	(172)	(103)
Net Increase (Decrease) in Cash and Cash Equivalents	1,675	275	(1,222)	(331)	4
Cash and Cash Equivalents at Beginning of Year	533	2,208	2,483	1,261	930
Cash and Cash Equivalents at End of Year	$ 2,208	$ 2,483	$ 1,261	$ 930	$ 934

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Income Statements: Sara Lee Corp.

In Millions of U.S. Dollars	For the Fiscal Year Ended									
	7/1/2006	%	6/30/2007	%	6/28/2008	%	6/27/2009	%	7/3/2010	%
Net Sales	$ 11,175	100.0%	$ 11,983	100.0%	$ 10,949	100.0%	$ 10,882	100.0%	$ 10,793	100.0%
Growth Rate	*n/a*		*7.2%*		*-8.6%*		*-0.6%*		*-0.8%*	
Cost of Sales	6,822	61.0%	7,329	61.2%	7,003	64.0%	7,031	64.6%	6,690	62.0%
Gross Profit	4,353	39.0%	4,654	38.8%	3,946	36.0%	3,851	35.4%	4,103	38.0%
S,G&A Expenses	3,574	32.0%	3,795	31.7%	3,207	29.3%	3,068	28.2%	3,145	29.1%
Operating Income	779	7.0%	859	7.2%	739	6.7%	783	7.2%	958	8.9%
Other Income (Expense)	(288)	-2.6%	(169)	-1.4%	(710)	-6.5%	(255)	-2.3%	(16)	-0.1%
EBIT	491	4.4%	690	5.8%	29	0.3%	528	4.9%	942	8.7%
Interest Expense	(302)	-2.7%	(261)	-2.2%	(185)	-1.7%	(170)	-1.6%	(147)	-1.4%
Earnings Before Taxes	189	1.7%	429	3.6%	(156)	-1.4%	358	3.3%	795	7.4%
Income Taxes	(158)	-1.4%	11	0.1%	(120)	-1.1%	(133)	-1.2%	(153)	-1.4%
Minority Interest	0	0.0%	0	0.0%	(4)	0.0%	(5)	0.0%	(7)	-0.1%
Discountinued Operations	524	4.7%	64	0.5%	201	1.8%	144	1.3%	(129)	-1.2%
Net Income	555	5.0%	504	4.2%	(79)	-0.7%	364	3.3%	508	4.7%

Source: Capital IQ

Exhibit A: Ratio Analysis: Sara Lee Corp.

	For the Fiscal Year Ended				
	7/1/2006	6/30/2007	6/28/2008	6/27/2009	7/3/2010
Activity Ratios					
Inventory Turnover	7.4	7.0	5.7	9.2	9.0
Receivables Turnover	9.2	9.4	7.3	8.6	9.1
Asset Turnover	0.8	1.0	1.0	1.2	1.2
Liquidity and Working Capital Ratios					
Current Ratio	1.1	1.2	1.2	1.3	1.4
Current Ratio (Net of Cash, NOAs, & IBD)	1.1	0.9	1.1	1.0	1.1
Net Working Capital / Net Sales	3.6%	-2.1%	2.1%	0.9%	1.8%
Days in Accounts Receivable	40	39	50	43	40
+ Days in Inventories	49	52	64	40	41
- Days in Accounts Payable	(55)	(56)	(66)	(52)	(55)
Net Trade Cycle	34	35	48	30	26
Leverage and Coverage [a]					
Liabilities / Equity	5.0	3.6	2.9	3.6	4.9
Debt / (Debt + Equity)	70.8%	62.4%	53.1%	57.9%	65.2%
Assets / Equity	6.0	4.6	3.9	4.6	5.9
EBIT / Interest Expense	2.6	3.3	4.0	4.6	6.5
Total Debt / EBITDA	4.5	3.1	2.6	2.2	2.0
Debt / EV	36.7%	29.1%	29.7%	31.2%	25.0%
Profitability [a]					
Gross Profit Margin	39.0%	38.8%	36.0%	35.4%	38.0%
EBITDA Margin	11.9%	11.5%	11.2%	11.5%	13.1%
EBIT Margin	7.0%	7.2%	6.7%	7.2%	8.9%
Net Profit Margin	2.6%	3.0%	3.0%	3.4%	4.5%
Return on Assets	2.0%	3.1%	3.1%	3.9%	5.5%
Return on Equity	11.7%	14.1%	11.8%	18.1%	32.7%
Other Ratios [a]					
Depreciation and Amortization / Sales	4.9%	4.3%	4.5%	4.3%	4.2%
Net Capital Expenditures / Sales	4.7%	3.8%	3.8%	2.9%	3.3%

[a] Ratios are calculated based on adjusted results.

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Dean Foods Co.

In Millions of U.S. Dollars	As of					
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Cash and Equivalents	$ 24	$ 31	$ 33	$ 36	$ 48	$ 61
Accounts Recievable - Trade	818	799	913	855	879	852
Other Receivables - Net	0	0	18	0	19	0
Total Inventory	355	361	380	393	438	453
Prepaid Expenses	66	70	60	70	90	74
Other Current Assets - Total	138	118	129	127	155	195
Total Current Assets	1,401	1,379	1,532	1,481	1,629	1,635
Net Property and Equipment	1,777	1,787	1,798	1,822	2,109	2,057
Goodwill, Net	2,923	2,943	3,018	3,074	3,283	3,257
Intangibles, Net	571	557	588	580	719	694
Other Assets	379	104	97	84	104	136
Total Other Assets	3,873	3,604	3,703	3,737	4,106	4,087
Total Assets	$ 7,051	$ 6,770	$ 7,033	$ 7,040	$ 7,844	$ 7,779

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Dean Foods Co.

In Millions of U.S. Dollars	As of					
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Accounts Payable	$ 498	$ 464	$ 557	$ 599	$ 702	$ 1,081
Accrued Expenses	428	358	326	381	438	0
Current Portion of Long-Term Debt and Capital Leases	65	484	25	419	339	213
Other Current Liabilities	35	31	25	28	0	22
Total Current Liabilities	1,026	1,337	933	1,427	1,479	1,316
Long-Term Debt	3,322	2,872	5,247	4,280	4,023	4,046
Minority Interest	0	0	0	0	15	16
Other Liabilities	801	752	802	774	975	970
Total Long-Term Liabilities	4,123	3,624	6,050	5,055	5,013	5,032
Total Liabilities	5,149	4,961	6,982	6,482	6,492	6,348
Common Stock Net	1	1	1	2	2	2
Additional Paid-In Capital	923	624	70	532	1,026	1,045
Retained Earnings	1,004	1,229	68	251	492	580
Other Equity, Total	(26)	(46)	(88)	(227)	(167)	(195)
Total Stockholders' Equity	1,902	1,809	51	558	1,352	1,431
Total Liabilities & Stockholders' Equity	$ 7,051	$ 6,770	$ 7,033	$ 7,040	$ 7,844	$ 7,779

Source: Capital IQ

A. Exhibits

Exhibit A - Reported Statements of Cash Flows: Dean Foods Co.

In Millions of U.S. Dollars	For the Fiscal Year Ended					12 Months Ended
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Net Income	$ 309	$ 225	$ 131	$ 184	$ 240	$ 188
Depreciation and Amortization	215	228	232	238	255	268
Amortization of Deferred Charges	0	0	14	0	0	0
Non-Cash Items	48	183	57	121	98	77
Changes in Working Capital	(14)	(75)	(83)	175	68	21
Net Cash Provided by (Used in) Operating Activities	558	561	350	718	659	553
Capital Expenditures	(287)	(237)	(241)	(257)	(268)	(280)
Other Investing Cash Flow Items, Total	0	81	11	0	0	0
Sale of Property, Plant, and Equipment	8	6	20	11	9	9
Cash Acquisitions	(1)	(17)	(132)	(96)	(581)	(546)
Divestitures	162	0	2	0	0	0
Net Cash Provided by (Used in) Investing Activities	(118)	(167)	(341)	(341)	(841)	(817)
Total Debt Issued-Total Debt Repaid	157	(53)	1,900	(800)	(275)	290
Issue/Retire of Common Stock, Net	(642)	(368)	48	420	454	9
Issue/Retire of Preferred Stock, Net	0	0	0	0	0	0
Other Financing Activities, Total	46	34	(1,956)	8	14	(22)
Net Cash Provided by (Used in) Financing Activities	(439)	(387)	(8)	(373)	193	277
Foreign Exchange Effects	0	0	0	0	1	(3)
Net Increase (Decrease) in Cash and Cash Equivalents	(1)	7	1	3	12	11
Cash and Cash Equivalents at Beginning of Year	27	27	33	35	38	51
Cash and Cash Equivalents at End of Year	$ 27	$ 33	$ 35	$ 38	$ 50	$ 61

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Income Statements: Dean Foods Co.

In Millions of U.S. Dollars	For the Fiscal Year Ended										12 Months Ended 6/30/2010	%
	12/31/2005	%	12/31/2006	%	12/31/2007	%	12/31/2008	%	12/31/2009	%		
Net Sales	$ 10,175	100.0%	$ 10,099	100.0%	$ 11,822	100.0%	$ 12,455	100.0%	$ 11,158	100.0%	$ 11,713	100.0%
Growth Rate	*n/a*		*-0.7%*		*17.1%*		*5.4%*		*-10.4%*		*5.0%*	
Cost of Sales	7,592	74.6%	7,364	72.9%	9,084	76.8%	9,509	76.4%	8,042	72.1%	8,615	73.6%
Gross Profit	2,583	25.4%	2,734	27.1%	2,738	23.2%	2,945	23.6%	3,116	27.9%	3,098	26.4%
S,G&A Expenses	1,968	19.3%	2,064	20.4%	2,148	18.2%	2,312	18.6%	2,432	21.8%	2,530	21.6%
Operating Income	616	6.0%	670	6.6%	590	5.0%	634	5.1%	684	6.1%	568	4.8%
Other Income (Expense)	(35)	-0.3%	(20)	-0.2%	(42)	-0.4%	(26)	-0.2%	(58)	-0.5%	(51)	-0.4%
EBIT	581	5.7%	650	6.4%	548	4.6%	608	4.9%	626	5.6%	517	4.4%
Interest Expense	(160)	-1.6%	(195)	-1.9%	(333)	-2.8%	(308)	-2.5%	(246)	-2.2%	(232)	-2.0%
Earnings Before Taxes	421	4.1%	456	4.5%	214	1.8%	300	2.4%	380	3.4%	285	2.4%
Income Taxes	(164)	-1.6%	(175)	-1.7%	(84)	-0.7%	(115)	-0.9%	(152)	-1.4%	(113)	-1.0%
Minority Interest	0	0.0%	0	0.0%	0	0.0%	0	0.0%	12	0.1%	14	0.1%
Accounting Change & Extra Items	(2)	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Discountinued Operations	54	0.5%	(55)	-0.5%	1	0.0%	(1)	0.0%	0	0.0%	1	0.0%
Net Income	309	3.0%	225	2.2%	131	1.1%	184	1.5%	240	2.2%	188	1.6%

Source: Capital IQ

Exhibit A: Ratio Analysis: Dean Foods Co.

	For the Fiscal Year Ended					12 Months Ended
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Activity Ratios						
Inventory Turnover	21.4	20.4	23.9	24.2	18.4	19.0
Receivables Turnover	12.4	12.6	12.9	14.6	12.7	13.8
Asset Turnover	1.4	1.5	1.7	1.8	1.4	1.5
Liquidity and Working Capital Ratios						
Current Ratio	1.4	1.0	1.6	1.0	1.1	1.2
Current Ratio (Net of Cash, NOAs, & IBD)	1.4	1.6	1.7	1.4	1.4	1.4
Net Working Capital / Net Sales	4.1%	4.9%	5.0%	3.5%	4.0%	4.0%
Days in Accounts Receivable	29	29	28	25	29	27
+ Days in Inventories	17	18	15	15	20	19
- Days in Accounts Payable	(24)	(23)	(22)	(23)	(32)	(46)
Net Trade Cycle	22	24	21	17	17	(0)
Leverage and Coverage [a]						
Liabilities / Equity	2.7	2.7	136.2	11.6	4.8	4.4
Debt / (Debt + Equity)	64.0%	65.0%	99.0%	89.4%	76.3%	74.8%
Assets / Equity	3.7	3.7	137.2	12.6	5.8	5.4
EBIT / Interest Expense	3.8	3.4	1.8	2.1	2.8	2.5
Total Debt / EBITDA	4.1	3.7	6.4	5.4	4.6	5.1
Debt / EV	n/a	n/a	n/a	n/a	n/a	n/a
Profitability [a]						
Gross Profit Margin	25.4%	27.1%	23.2%	23.6%	27.9%	26.4%
EBITDA Margin	8.2%	8.9%	6.9%	7.0%	8.4%	7.1%
EBIT Margin	6.0%	6.6%	5.0%	5.1%	6.1%	4.8%
Net Profit Margin	2.7%	2.8%	1.3%	1.6%	2.4%	1.7%
Return on Assets	3.9%	4.2%	2.2%	2.8%	3.3%	2.6%
Return on Equity	14.4%	15.8%	300.2%	35.0%	19.4%	14.1%
Other Ratios [a]						
Depreciation and Amortization / Sales	2.1%	2.3%	2.0%	1.9%	2.3%	2.3%
Net Capital Expenditures / Sales	2.7%	2.3%	1.9%	2.0%	2.3%	2.3%

[a] Ratios are calculated based on adjusted results.

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Republic Services, Inc.

In Millions of U.S. Dollars	As of					
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Cash and Equivalents	$ 132	$ 29	$ 22	$ 69	$ 48	$ 56
Accounts Recievable - Trade	280	294	298	946	865	898
Other Receivables - Net	25	24	24	51	57	47
Total Inventory	16	17	12	37	34	32
Prepaid Expenses	18	18	20	59	59	57
Other Current Assets - Total	12	12	38	165	202	198
Total Current Assets	482	393	414	1,326	1,265	1,289
Net Property and Equipment	2,115	2,164	2,164	6,738	6,658	6,604
Goodwill, Net	1,564	1,563	1,556	10,522	10,667	10,661
Intangibles, Net	27	31	27	564	500	466
Long-Term Investments	0	0	3	15	10	8
Other Assets	362	278	304	757	441	544
Total Other Assets	1,953	1,872	1,890	11,858	11,618	11,679
Total Assets	$ 4,551	$ 4,429	$ 4,468	$ 19,921	$ 19,540	$ 19,571

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Republic Services, Inc.

In Millions of U.S. Dollars	As of					
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Accounts Payable	$ 176	$ 162	$ 161	$ 564	$ 593	$ 471
Accrued Expenses	170	209	250	832	823	771
Current Portion of Long-Term Debt and Capital Leases	3	3	2	504	543	693
Other Current Liabilities	318	229	216	666	590	532
Total Current Liabilities	**667**	**602**	**629**	**2,566**	**2,549**	**2,466**
Long-Term Debt	1,472	1,545	1,566	7,199	6,420	6,425
Minority Interest	0	0	0	1	3	2
Other Liabilities	806	861	970	2,875	3,005	2,995
Total Long-Term Liabilities	**2,278**	**2,405**	**2,535**	**10,074**	**9,427**	**9,422**
Total Liabilities	**2,945**	**3,007**	**3,164**	**12,640**	**11,976**	**11,888**
Common Stock Net	2	2	2	4	4	4
Additional Paid-In Capital	1,509	1,618	39	6,260	6,316	6,364
Retained Earnings	1,403	1,603	1,572	1,477	1,683	1,762
Treasury Stock	(1,309)	(1,801)	(318)	(457)	(458)	(459)
Other Equity, Total	1	1	9	(3)	19	12
Total Stockholders' Equity	**1,606**	**1,422**	**1,304**	**7,281**	**7,565**	**7,684**
Total Liabilities & Stockholders' Equity	**$ 4,551**	**$ 4,429**	**$ 4,468**	**$ 19,921**	**$ 19,540**	**$ 19,571**

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: Republic Services, Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended					12 Months Ended
	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	6/30/2010
Net Income	$ 254	$ 280	$ 290	$ 74	$ 495	$ 381
Depreciation and Amortization	293	312	323	378	959	930
Amortization of Deferred Charges	0	0	1	10	92	70
Non-Cash Items	67	51	38	129	103	289
Changes in Working Capital	134	(131)	10	(79)	(252)	(366)
Net Cash Provided by (Used in) Operating Activities	**748**	**511**	**661**	**512**	**1,397**	**1,304**
Capital Expenditures	(309)	(327)	(293)	(387)	(826)	(857)
Other Investing Cash Flow Items, Total	20	102	(12)	(6)	41	(58)
Sale of Property, Plant, and Equipment	10	19	6	8	32	28
Cash Acquisitions	(30)	(5)	(4)	(554)	(0)	(1)
Divestitures	31	7	42	3	511	93
Net Cash Provided by (Used in) Investing Activities	**(278)**	**(205)**	**(260)**	**(935)**	**(243)**	**(795)**
Total Debt Issued-Total Debt Repaid	103	72	11	713	(866)	(187)
Total Dividends Paid	(72)	(79)	(94)	(128)	(288)	(289)
Issue/Retire of Common Stock, Net	(483)	(417)	(332)	(118)	39	65
Other Financing Activities, Total	(28)	14	6	3	(59)	(110)
Net Cash Provided by (Used in) Financing Activities	**(480)**	**(409)**	**(408)**	**469**	**(1,175)**	**(521)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(10)**	**(103)**	**(7)**	**47**	**(21)**	**(12)**
Cash and Cash Equivalents at Beginning of Year	142	132	29	22	69	68
Cash and Cash Equivalents at End of Year	**$ 132**	**$ 29**	**$ 22**	**$ 69**	**$ 48**	**$ 56**

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Income Statements: Republic Services, Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended										12 Months Ended	
	12/31/2005	%	12/31/2006	%	12/31/2007	%	12/31/2008	%	12/31/2009	%	6/30/2010	%
Net Sales	$ 2,864	100.0%	$ 3,071	100.0%	$ 3,176	100.0%	$ 3,685	100.0%	$ 8,199	100.0%	$ 8,097	100.0%
Growth Rate	*n/a*		*7.2%*		*3.4%*		*16.0%*		*122.5%*		*-1.3%*	
Cost of Sales	1,804	63.0%	1,924	62.7%	2,004	63.1%	2,417	65.6%	4,844	59.1%	4,764	58.8%
Gross Profit	1,060	37.0%	1,146	37.3%	1,172	36.9%	1,268	34.4%	3,355	40.9%	3,333	41.2%
S,G&A Expenses	583	20.3%	627	20.4%	636	20.0%	813	22.1%	1,839	22.4%	1,804	22.3%
Operating Income	477	16.7%	520	16.9%	536	16.9%	456	12.4%	1,516	18.5%	1,529	18.9%
Other Income (Expense)	13	0.5%	20	0.7%	27	0.8%	(165)	-4.5%	(55)	-0.7%	(293)	-3.6%
EBIT	490	17.1%	540	17.6%	563	17.7%	291	7.9%	1,461	17.8%	1,236	15.3%
Interest Expense	(81)	-2.8%	(96)	-3.1%	(95)	-3.0%	(132)	-3.6%	(596)	-7.3%	(557)	-6.9%
Earnings Before Taxes	409	14.3%	444	14.4%	468	14.7%	159	4.3%	865	10.5%	679	8.4%
Income Taxes	(156)	-5.4%	(164)	-5.3%	(178)	-5.6%	(85)	-2.3%	(369)	-4.5%	(297)	-3.7%
Minority Interest	0	0.0%	0	0.0%	0	0.0%	(0)	0.0%	(2)	0.0%	(1)	0.0%
Net Income	254	8.9%	280	9.1%	290	9.1%	74	2.0%	495	6.0%	381	4.7%

Source: Capital IQ

Appendix B

Certification

B. CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the businesses that are the subject of this report, and we have no personal interest with respect to the parties involved.
- We have no bias with respect to the businesses that are the subject of this report or the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined opinion that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- In addition to the undersigned, Guillaume Laffitte-Smith assisted in the preparation of this valuation report.

Redacted by U.S. Treasury Department

[redacted]

Appendix C

Assumptions and Limiting Conditions

C. ASSUMPTIONS AND LIMITING CONDITIONS

This valuation report is subject to the following assumptions and limiting conditions:

- In performing our analysis, we used various financial and other information provided to us by management or obtained from other private and public sources, and relied on the accuracy and completeness of this information. We have not been engaged to compile, review, or examine such information in accordance with standards established by the American Institute of Certified Public Accountants. Accordingly, we do not express an opinion or any other form of assurance thereon.
- For the purpose of this engagement and report, we have made no investigation of, and assume no responsibility for, the titles to, or liabilities against, the assets or equity of the Employers, including, but not limited to, any contingent or environmental liabilities.
- Our opinion is applicable for the stated date and purpose only, and may not be appropriate for any other date or purpose.
- Our services, this report, and the opinions expressed herein are provided exclusively for the use of the Central States Plan Trustees for the purpose stated herein, and are not to be referred to or distributed, in whole or in part, without our prior written consent.
- The opinions expressed herein are not intended to be investment advice and should in no way be construed as such.
- None of our employees who worked on this engagement have any known financial interest in the assets or equity of the Employers or the outcome of this valuation. Further, our compensation is neither based nor contingent on the results of our analysis.
- Stout Risius Ross, Inc. is not required to give testimony in court, or be in attendance during any hearings or depositions, unless previous arrangements have been made. We are committed to supporting the report provided compensation arrangements for such additional services have been made.
- This analysis contemplates facts and conditions that are known or knowable as of the date of this report. Events and conditions occurring after the date of this report have not been considered, and Stout Risius Ross, Inc. has no obligation to update our report for such events and conditions.
- By accepting this report, the client acknowledges the terms and indemnity provisions provided in the executed engagement letter and the assumptions and limiting conditions contained herein.

Appendix D

Statement of Qualifications

D. STATEMENT OF QUALIFICATIONS

Scott D. Levine, CPA / ABV, CFA, ASA

Scott D. Levine is a Managing Director in the ***Valuation & Financial Opinions Group*** at ***Stout Risius Ross, Inc.*** His concentration is in ESOP and ERISA Advisory Services. Over the last ten years, he has had extensive experience in the valuation of business interests in both private and public corporations. Mr. Levine has performed valuation analyses in a broad range of industries and for numerous purposes including fairness and solvency opinions, estate and gift taxation, shareholder disputes, purchase price allocation, mergers and acquisitions, marital dissolutions and liability and damages analysis. He has a particular expertise in the valuation of business ownership interests in employee stock ownership plan (ESOP) related analyses, including ESOP security formation, transaction analysis, determination of transaction fairness and adequate consideration and annual employer security valuation updates.

Among the many industries that Mr. Levine has served are biotechnology, computer services, construction, engineering, entertainment, financial services, government contracting, health care, manufacturing, medical practices, telecommunications and wholesale distribution. Mr. Levine has presented on many different topics in the field of business valuation to the following organizations: the American Society of Appraisers; the National Center for Employee Ownership; the ESOP Association; and the Association for Corporate Growth. He has also authored many articles related to the valuation of closely held companies. In addition, Mr. Levine has testified as an expert witness in state courts, arbitration and deposition.

Prior to joining ***Stout Risius Ross, Inc.,*** Mr. Levine was a principal with a national valuation firm specializing in the valuation of closely held companies. During his tenure, he was responsible for business development and management of business valuation assignments as well as hiring and supervising staff. Prior to that, Mr. Levine was a CPA with Price Waterhouse in their audit group and was responsible for conducting audits for both privately held and publicly traded companies.

Mr. Levine earned an MBA with a concentration in Finance from George Washington University. He also graduated cum laude from Boston University's School of Management with a concentration in Accounting. Mr. Levine is a certified public accountant licensed in the state of Maryland, and a member of the American Institute of Certified Public Accountants holding the ABV designation (accredited in business valuation). He has also earned the right to use the Chartered Financial Analyst designation. Mr. Levine is an Accredited Senior Appraiser of the American Society of Appraisers, certified in business valuation. Mr. Levine is a member of the CFA Institute, the American Institute of Certified Public Accountants and the ESOP Association. He is also a member of the Finance Committee of the ESOP Association.

D. STATEMENT OF QUALIFICATIONS

Mark R. Fournier, CFA

Mark R. Fournier is a Director in the ***Valuation & Financial Opinions Group*** of **Stout Risius Ross, Inc.** He has extensive experience providing fairness and solvency opinions for corporate acquisitions and divestitures; going-private transactions; leveraged buy-out transactions; leveraged recapitalizations; and related party transfers. He also has extensive experience with Employee Stock Ownership Plans including ESOP security formation; transaction analysis; determination of transaction fairness and adequate consideration; and annual valuation updates.

In addition to his valuation and litigation advisory experience, Mr. Fournier also has significant investment banking experience. Mr. Fournier has been responsible for the execution of investment banking transactions, including mergers, acquisitions, divestitures, and the private placement of senior debt, subordinated debt, and equity securities.

Mr. Fournier has served numerous industries including automotive, banks and thrifts, broadcasting, computer software, consumer products, e-commerce, e-health, graphics and printing, insurance, manufacturing, publishing, retailing, stamping, telecommunications, and wholesale distribution.

Mr. Fournier has lectured and presented at numerous professional conferences and seminars on a variety of topics, including valuations of privately held companies, valuation of derivative securities, merger and acquisitions, and other related topics. He has also authored several articles related to the valuation of privately held companies and derivative securities. In addition, Mr. Fournier has testified as an expert witness at trial on corporate acquisition issues.

Mr. Fournier is a member of the CFA Institute and the ESOP Association. He is also a member of the Finance Committee of the ESOP Association and Vice President of the Michigan Chapter of the ESOP Association.

Tab B

PRESENTATION TO THE CENTRAL STATES PENSION FUND

Issued: July 7, 2015

SRR
STOUT | RISIUS | ROSS

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For more information, please contact one of the following members of the engagement team:

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APPENDICES

Section I

Introduction

I. INTRODUCTION

Description of the Engagement

- Stout Risius Ross, Inc. ("SRR") has been retained by the Central States, Southeast and Southwest Areas Pension Plan (the "Plan") to provide certain financial advisory services.
- The Plan is a multiemployer pension fund predominately for unionized workers employed within a broad range of industries and includes over 1,600 participating employers. Of the 21 largest contributing employers to the Plan, 10 of them are publicly traded and are as follows:
  - YRC Worldwide, Inc. ("YRC");
  - ArcBest Corporation ("ArcBest");
  - Deutsche Post AG ("Deutsche");
  - SuperValu, Inc. ("SuperValu");
  - The Kroger Co. ("Kroger");
  - Roundy's, Inc. ("Roundy's");
  - SpartanNash Company ("SpartanNash");
  - Grupo Bimbo, S.A.B. de C.V. ("Grupo Bimbo")
  - Dean Foods Company ("Dean Foods"); and
  - Kellogg Company ("Kellogg").
- In addition, we were provided financial information on one privately held employer from the Plan, Associated Wholesale Grocers, Inc. ("AWG") that also ranked among the top 21 largest contributing employers.
- These 10 publicly traded companies and one privately-held company (the "Employers") contributed over $219 million to the Plan in fiscal 2014, which represented approximately 37.6% of the total contributions to the Plan during fiscal 2014.
- On March 29, 2013, the Plan was certified by its actuary to be in "critical status" (sometimes referred to as the "red zone") as of January 1, 2013 under the Pension Protection Act of 2006 ("PPA"). As a result, the Plan's trustees (the "Trustees"), as the plan sponsor of a "critical status" pension plan, are charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Plan in accordance with the standards set forth in the PPA.
- Under the PPA, a rehabilitation plan must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted, may reasonably be expected to enable the Plan to emerge from critical status in accordance with the rehabilitation plan.
- It is our understanding that the Employers who participate in the Plan have two alternatives:
  - Withdraw from the Plan and pay the corresponding withdrawal liability; or
  - Remain in the Plan and satisfy their annual contribution.

I. INTRODUCTION

- We understand that the Plan's collectively bargained pension contribution rates may be subject to change, in part in response to possible changes in the Plan's rehabilitation plan adopted pursuant to the Pension Protection Act of 2006.
- The proposed annual change in contribution rate (the "Contribution Rate"), as provided by the Plan is shown below. While the Contribution Rate is subject to changes based on future collective bargaining agreements, our Analysis (defined herein) only reflects the proposal illustrated below. We understand that Contribution Rate changes may materially impact the operations of certain employers in the Plan and their viability.

Proposed Change in Contribution Rate

Employer Name	2015	2016	2017	2018	2019
ArcBest Corporation	0.0%	0.0%	0.0%	2.5%	2.5%
YRC Worldwide, Inc.	0.0%	0.0%	0.0%	0.0%	2.5%
Grupo Bimbo, S.A.B. de C.V.	4.0%	4.0%	4.0%	4.0%	4.0%
The Kroger Co.	4.0%	4.0%	4.0%	4.0%	4.0%
SpartanNash Company	4.0%	4.0%	4.0%	4.0%	4.0%
Dean Foods Company	4.0%	4.0%	4.0%	4.0%	4.0%
Deutsche Post AG					
Air Express International USA Inc.	4.0%	4.0%	4.0%	4.0%	4.0%
DHL Express Inc.	2.5%	2.5%	2.5%	2.5%	2.5%
Standard Forwarding LLC	8.0%	8.0%	8.0%	6.0%	4.0%
SuperValu, Inc.	4.0%	4.0%	4.0%	4.0%	4.0%
Roundy's, Inc.	4.0%	4.0%	4.0%	4.0%	4.0%
Kellogg Company	4.0%	4.0%	4.0%	4.0%	4.0%
Associated Wholesale Grocers, Inc.	6.0%	4.0%	4.0%	4.0%	3.5%

Source: Plan records

- The Plan's Trustees are concerned that some of the contributing employers will not be able to finance the increased Contribution Rate. In addition, it is our understanding that withdrawing from the Plan and satisfying their withdrawal liability is not a viable option for the Plan's two largest contributors, including YRC and ArcBest, due in part because their withdrawal liabilities exceed their market capitalizations. Accordingly, any withdrawal from the Plan by these two companies would likely force YRC and ArcBest into bankruptcy and is expected to result in very little payments to the Plan. Furthermore, it is our understanding that a withdrawal from the Plan by an employer would likely result in the remaining Employers assuming a pro rata portion of that employer's withdrawal liability.

I. INTRODUCTION

- The Plan has requested that we provide the following services:
  - Conduct an analysis (the "Analysis") of the Employers and evaluate their financial performance both historically and prospectively including but not limited to an analysis of industries the Employers participate in, including analyzing the effect that the proposed changes in the Contribution Rate will have on the Employers.
  - Render a written opinion (the "Opinion") to the Plan regarding the extent to which potential increases in the Contribution Rate of the Employers is reasonable from a financial point of view.

Sources of Information

In connection with this analysis, we have made such reviews, analyses, and inquiries as we have deemed necessary and appropriate under the circumstances. The principal sources of information used in performing our analysis included, but were not limited to:

- the Plan's audited financial statements for the fiscal years ended December 31, 2011 through December 31, 2013;
- 10-Q, 10-K, 8-K SEC filings and interim and annual reports for the Employers;
- annual reports for the fiscal years ended December 31, 2013 and December 31, 2014 for AWG;
- a presentation titled "ABF Cost Structure", provided by the Plan regarding ArcBest;
- a schedule of historical contributions to the Plan from certain employers;
- a schedule of estimated mass withdrawal liabilities for the Employers prepared by the Plan;
- a schedule prepared by the Plan of projected Contribution Rate increases for certain employers through 2017;
- Standard & Poor's debt credit ratings for the Employers;
- the Plan document titled "Central States, Southeast and Southwest Areas Pension Plan," restated plan effective January 1, 1985, as amended through January 1, 2010;
- various industry analyst reports for the (1) trucking, freight and shipping, (2) food retail, and (3) packaged food and meats industry groups;
- various analyst reports for the Employers;
- conversations with Plan management regarding the financial condition of the Plan as well as proposed increases in the Contribution rate; and
- other information, studies, and investigations that we deemed appropriate.

I. Introduction

In performing our analysis, we used various financial and other information provided to us by management or obtained from other private and public sources, and we have relied on the accuracy and completeness of this information. We have not been engaged to compile, review, or examine such information in accordance with standards established by the American Institute of Certified Public Accountants. Accordingly, we do not express an opinion or any other form of assurance therein with respect to the information. Our analysis is necessarily based upon market, economic, and other considerations as they existed on and could be evaluated as of the date of this report.

Assumptions and Limiting Conditions

- This report and the opinions expressed herein are provided exclusively for the use of the Plan for the purpose stated herein, and should not be referred to or distributed, in whole or in part, without our prior written consent. Reference should be made to Appendix C, as well as our engagement letter dated January 28, 2015, for certain assumptions and limiting conditions that are applicable to our analysis and report.

Section II

Central States Plan Overview

II. CENTRAL STATES PLAN OVERVIEW

Central States Plan Background

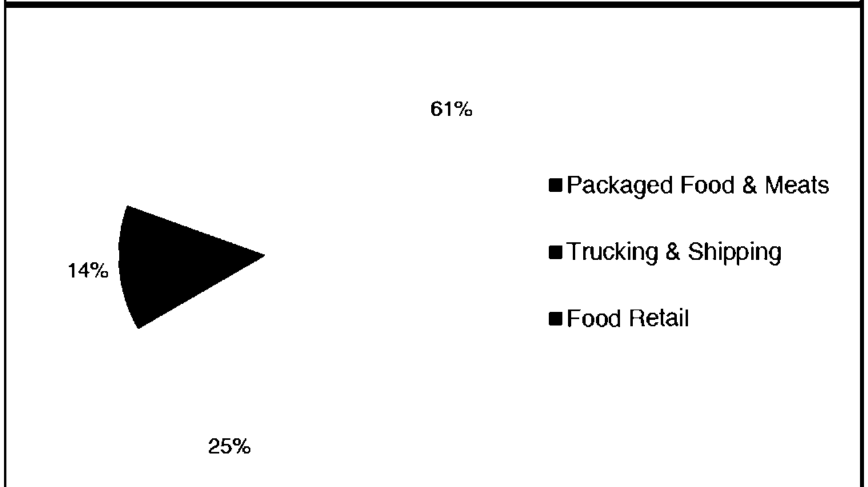
- The Plan is a multiemployer defined benefit plan. The Plan provides retirement and related benefits for eligible employees of contributing employers that are signatory to collective bargaining agreements with Teamster local unions. Benefits under the Plan are generally based on the participant's age, accumulated service credit, and employer contributions to the Plan.
- On June 17, 2009, the Plan entered into a Contribution Deferral Agreement ("CDA") with YRC. The CDA arose as a result of YRC's inability to remain current with its pension contribution obligation to the Plan. Under the CDA, YRC was allowed to defer payment of approximately $110 million of unpaid 2009 contributions and accrued interest. Pursuant to subsequent amendments to the CDA, the principal amount is due in a lump-sum payment in December 2019. However, interest on the CDA is being remitted monthly. The agreement is secured by a first priority interest in real property pledged by YRC.
- Due to YRC's inability to remit current ongoing contributions, the Trustees terminated YRC's participation in the Plan from July 9, 2009 through May 31, 2011. During that time, YRC's pension contribution obligations were suspended.
- On June 1, 2011, pursuant to a restructured collective bargaining agreement and an amendment to the Plan's rehabilitation plan that permitted distressed employers to contribute at reduced contribution rates, YRC resumed participation in the Plan at 25% of the rate at which it was obligated to contribute prior to the termination. The distressed employer schedule also resulted in the loss of a significant portion of what are termed "adjustable benefits" under the PPA for the YRC participants. Since the June 1, 2011 resumption, YRC has remained current in remitting monthly contributions. Contributions received from YRC for 2013 and 2012 were $51.1 million and $51.8 million, respectively.
- YRC's outstanding balances under the CDA at December 31, 2013 and 2012 were $84.2 million and $84.4 million, respectively. For the years ended December 31, 2013 and 2012, reserves for the deferred amounts included within the allowance for uncollectible contributions on the Statements of Net Assets Available for Benefits were $60.6 million and $65.5 million, respectively.

II. CENTRAL STATES PLAN OVERVIEW

Employers

- The Employers operate within three primary industry groups:
  - Trucking and Shipping;
  - Food Retail; and
  - Packaged Food and Meats
- The graph below illustrates the contribution expense of the Employers by industry group in 2014:

2014 Contribution Expense by Industry Group



- The Employers accounted for approximately 37.6% of total contributions to the Plan in 2014. ArcBest was the largest contributor to the Plan in 2014, accounting for 12.7% of total contributions. ArcBest and YRC accounted for 21.6% of total Plan contributions in 2014.
- The chart below illustrates the contribution expense of the Employers as a percentage of the Plan's total contribution expense in fiscal year 2014:

Pension Contribution by Employer in Fiscal 2014

Employer Name	2014 Pension Contribution	Percentage
ArcBest Corporation	$ 74,324,261	12.7%
YRC Worldwide, Inc.	52,119,157	8.9%
Grupo Bimbo, S.A.B. de C.V.	16,393,184	2.8%
The Kroger Co.	14,183,019	2.4%
Associated Wholesale Grocers, Inc.	13,019,320	2.2%
SpartanNash Company	12,685,309	2.2%
Dean Foods Company	9,448,643	1.6%
Deutsche Post AG	8,423,007	1.4%
SuperValu, Inc.	8,140,207	1.4%
Roundy's, Inc.	6,285,009	1.1%
Kellogg Company	4,522,848	0.8%
Other	365,013,037	62.4%
Total	**584,557,000**	**100.0%**

II. CENTRAL STATES PLAN OVERVIEW

- The chart below illustrates the estimated withdrawal liability and current market capitalization of the Employers:

Withdrawal Liability Compared to Market Capitalization for Employers

In U.S. Dollars

Employer Name	Estimated Withdrawal Liability	Market Capitalization [a]	Withdrawal Liability > Market Capitalization
ArcBest Corporation	$ 2,344,815,085	$ 1,049,054,820	Yes
YRC Worldwide, Inc.	6,918,977,483	581,833,010	Yes
Grupo Bimbo, S.A.B. de C.V.	538,421,991	13,182,117,048	No
The Kroger Co.	416,160,761	34,382,853,520	No
Associated Wholesale Grocers, Inc.	391,567,924	n/a	n/a
SpartanNash Company	423,663,810	1,008,267,440	No
Dean Foods Company	321,886,298	1,538,492,700	No
Deutsche Post AG	454,621,987	40,379,749,709	No
SuperValu, Inc.	419,421,864	2,586,800,700	No
Roundy's, Inc.	206,138,252	194,117,040	Yes
Kellogg Company	129,724,465	23,091,602,720	No

[a] Based on shares outstanding multiplied by stock price as of March 3, 2015.

II. CENTRAL STATES PLAN OVERVIEW

- The chart below illustrates the Standard & Poor's issuer credit ratings and the future outlook for the Employers:

S&P Credit Rating and Outlook by Employer

Company	S&P Credit Rating	Outlook
ArcBest Corporation	n/a	n/a
YRC Worldwide, Inc.	CCC+	Developing
Grupo Bimbo, S.A.B. de C.V.	BBB	Stable
The Kroger Co.	BBB	Stable
SpartanNash Company	n/a	n/a
Dean Foods Company	BB-	Stable
Deutsche Post AG	n/a	n/a
SuperValu, Inc.	B+	Stable
Roundy's, Inc.	n/a	n/a
Kellogg Company	BBB+	Stable
Associated Wholesale Grocers, Inc.	n/a	n/a

- A Standard & Poor's issuer credit rating is a current opinion of a company's overall financial capacity (its creditworthiness) to pay its financial obligations:
  - AAA - An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The sponsor's capacity to meet its financial commitment on the obligation is extremely strong.
  - AA - An obligation rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated company's only to a small degree.

- A - An obligation rated ‘A’ has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than companies in higher-rated categories.
- BBB - An obligation rated ‘BBB’ has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments.
- BB - An obligation rated ‘BB’ is less vulnerable in the near term than other lower-rated companies. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the company’s inadequate capacity to meet its financial commitments.
- B - An obligation rated ‘B’ is more vulnerable than the company’s rated ‘BB’, but the company currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the company’s capacity or willingness to meet its financial commitments.
- CCC - An obligation rated ‘CCC’ is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the company to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the company is not likely to have the capacity to meet its financial commitment on the obligation.
- CC - An obligation rated ‘CC’ is currently highly vulnerable to nonpayment.
- C - A subordinated debt or preferred stock obligation rated ‘C’ is currently highly vulnerable to nonpayment. The ‘C’ rating may be used to cover a situation where a bankruptcy petition has been filed or similar action taken, but payments on this obligation are continuing. A ‘C’ rating will also be assigned to preferred stock that is currently in arrears on dividends or sinking fund payments, but payment is continuing.
- D - An obligation rated ‘D’ is in payment default. The ‘D’ rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor’s believes that such payments will be made during such grace period. The ‘D’ rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

- Plus (+) or minus (-) - The ratings from ‘AA’ to ‘B’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Summary of Financial Condition of Employers

Employer Financials

Employer Name	Contributions as a % of Total Plan Contributions in 2014	Withdrawal Liability / Market Capitalization	LTM Pension Expense / EBITDA	LTM Central States Contribution / EBITDA	Total Debt / LTM EBITDA	Z-Score	S&P Credit Rating	Dividend Yield	2019 Projected Contribution Rate Increase
ArcBest Corporation	12.7%	223.5%	90.5%	46.7%	0.9x	4.2x	n/a	0.6%	2.5%
YRC Worldwide, Inc.	8.9%	1189.2%	46.5%	26.4%	5.6x	1.3x	CCC+	0.0%	2.5%
Grupo Bimbo, S.A.B. de C.V.	2.8%	4.1%	n/a	1.1%	3.0x	2.6x	BBB	0.0%	4.0%
The Kroger Co.	2.4%	1.2%	4.8%	0.3%	2.3x	4.8x	BBB	1.1%	4.0%
SpartanNash Company	2.2%	42.0%	6.3%	6.3%	2.8x	4.7x	n/a	2.0%	4.0%
Dean Foods Company	1.6%	20.9%	14.8%	4.8%	4.7x	4.0x	BB-	1.7%	4.0%
Deutsche Post AG	1.4%	1.1%	n/a	0.2%	1.5x	2.7x	n/a	2.7%	2.5% - 4.0%
SuperValu, Inc.	1.4%	16.2%	5.3%	1.1%	4.2x	3.2x	B+	0.0%	4.0%
Roundy's, Inc.	1.1%	106.2%	n/a	4.6%	4.8x	4.1x	n/a	0.0%	4.0%
Kellogg Company	0.8%	0.6%	0.4%	0.1%	2.1x	2.9x	BBB+	3.0%	4.0%
Associated Wholesale Grocer's, Inc.	2.2%	n/a	4.7%	4.7%	0.5x	n/a	n/a	n/a	3.5%

Source: Plan records, Capital IQ, and Employer 10-Ks, 10-Qs, and Annual Reports

Section III

Economic Overview

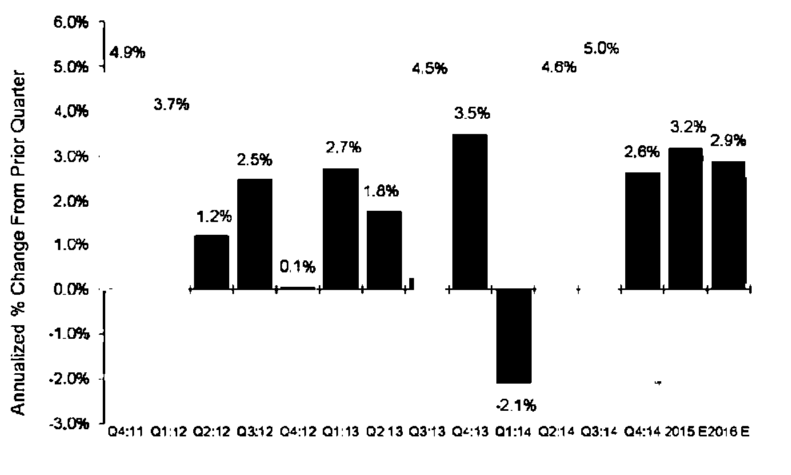
Gross Domestic Product

- Real (i.e., inflation adjusted) GDP growth of 2.0% to 2.5% is generally considered optimal when the economy is operating at full employment (5.5% to 6.0% unemployment).
- GDP increased at an annual rate of 2.6% in the fourth quarter of 2014, decreasing from a 5.0% growth rate in the third quarter of 2014. Consumer spending made a large contribution, while trade and federal spending decreased and overall prices declined due to falling energy prices.
- GDP is forecasted to increase at an annual rate of 3.2% and 2.9% in 2015 and 2016, respectively.

Interest Rates

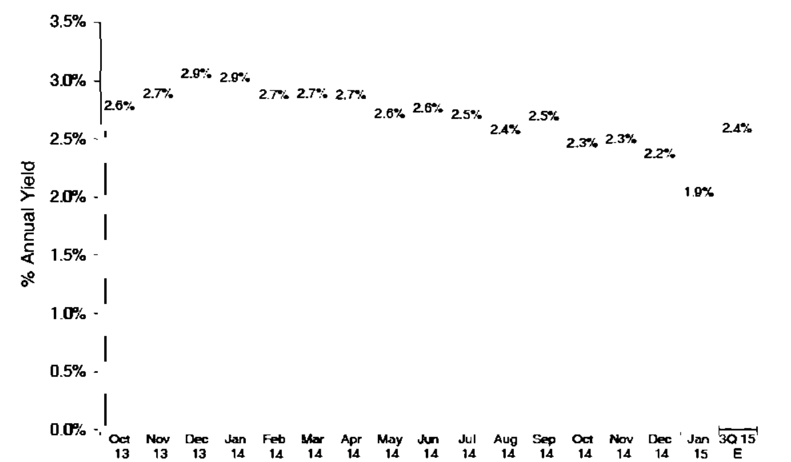
- Interest rates reflect the cost of borrowed capital. Since Treasury securities are backed by the U.S. government, yields on U.S. Treasuries are widely deemed to represent risk-free interest rates and are used as reference points for the yields of other securities. Over the past 20 years, the 10-year U.S. Treasury constant maturity yield averaged 4.4%.
- The ten-year U.S. Treasury constant maturity yield decreased from 2.2% in December 2014 to 1.9% in January 2015.
- This rate is forecasted to increase to 2.4% in the third quarter of 2015.

Current and Forecasted U.S. Real GDP



Sources: Dismal Scientist and Federal Reserve Bank of Philadelphia

Ten-Year U.S. Treasury Note Yields



Sources: Dismal Scientist and Federal Reserve Bank of Philadelphia

III. Economic Overview

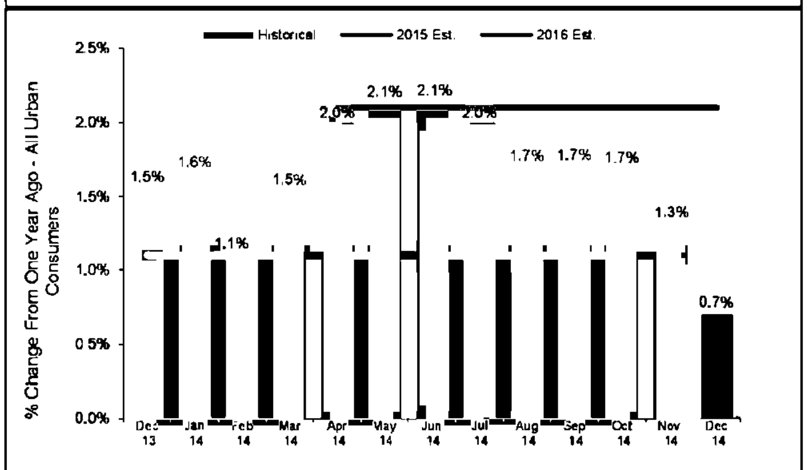
Consumer Price Index

- The CPI has increased at an average rate of 2.4% over the past 20 years.
- The CPI decreased 0.4% in December 2014 and has increased 0.7% over the past 12 months.
- The core index, excluding food and energy prices, remained unchanged in December 2014 and has increased 1.6% over the past 12 months.
- The CPI is expected to increase 1.1% in 2015 and 2.1% in 2016.

Employment Situation

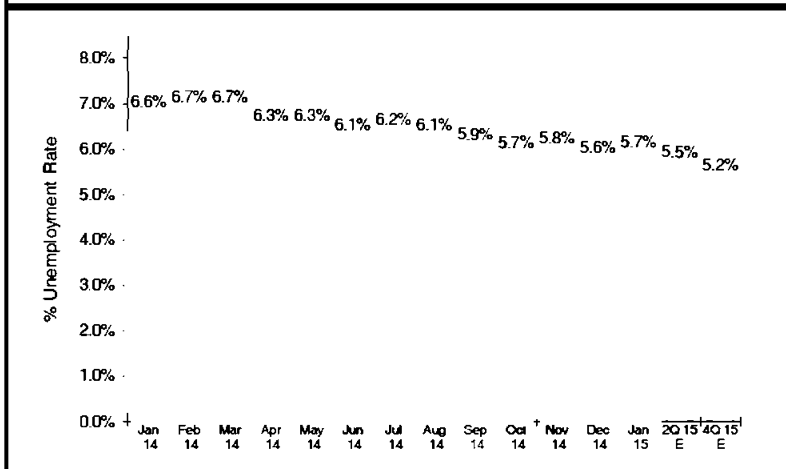
- Typically, economists consider the economy to be operating at full employment when the unemployment rate is between 5.5% and 6.0%.
- In January 2015, 257,000 jobs were added, and the unemployment rate increased from 5.6% in December 2014 to 5.7% in January 2015, consistent with increased participation in the labor force.
- The unemployment rate is forecasted to decrease to 5.5% and 5.2% in the second and fourth quarter of 2015, respectively.

U.S. Consumer Price Index



Sources: Dismal Scientist and Federal Reserve Bank of Philadelphia

U.S. Unemployment Rate



Sources: Dismal Scientist and Federal Reserve Bank of Philadelphia

III. ECONOMIC OVERVIEW

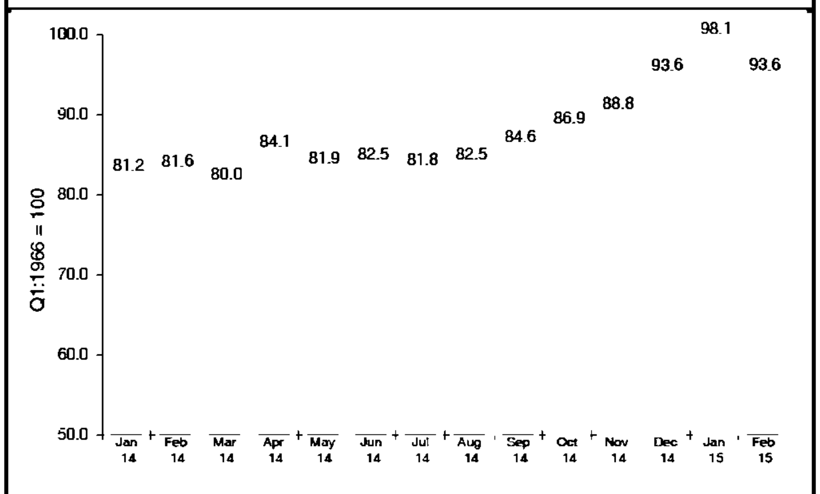
Consumer Sentiment

- The Index of Consumer Sentiment, normalized at a value of 100 in the first quarter of 1966, is constructed by the Survey Research Center at the University of Michigan based on a survey of consumers regarding personal finances, business conditions, and anticipated spending.
- Consumer sentiment decreased from 98.1 in January 2015 to 93.6 in February 2015 as shoppers noted less optimism over current finances.

Industrial Production

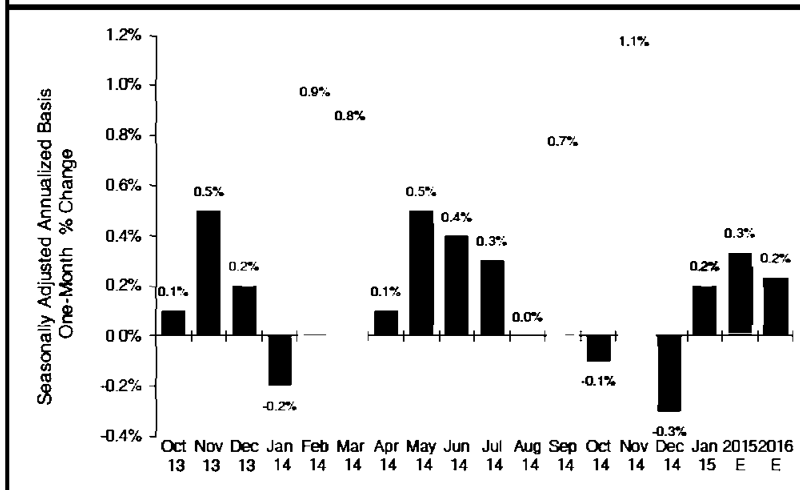
- Over the past 20 years, industrial production has increased at an average annual rate of 2.2%, or 0.18% on a monthly basis.
- Industrial production increased 0.2% in January 2015 after decreasing 0.3% in December 2014. Manufacturing output increased 0.2% in January 2015.
- Industrial production is projected to increase at annual rates of 4.0% and 2.8% in 2015 and 2016, respectively. (The forecasted annual rates are shown on a monthly basis in the below chart.)

Consumer Sentiment



Source: Dismal Scientist

Industrial Production



Sources: Dismal Scientist and Federal Reserve Bank of Philadelphia

III. Economic Overview

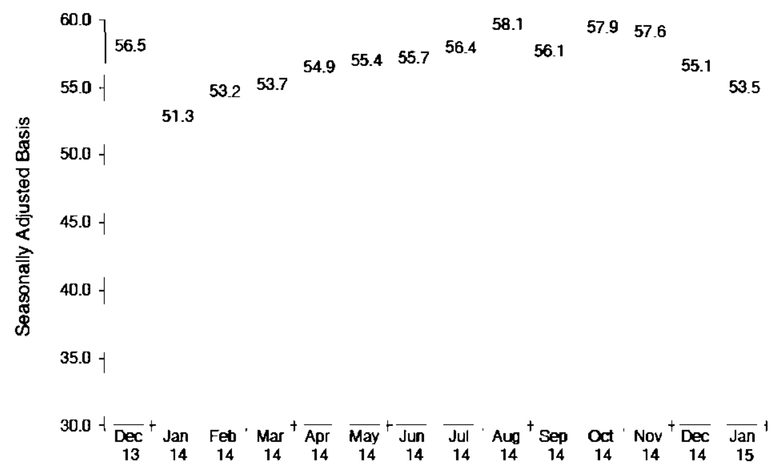
Purchasing Managers' Index

- Index values above 50 indicate an expanding manufacturing sector, while values below 50 indicate a contracting manufacturing sector.
- The PMI decreased to 53.5 points in January 2015 from 55.1 points in December 2014 as the weak global economy, a stronger dollar, and a large decrease in oil prices appear to be weighing on manufacturers.

Equity Markets

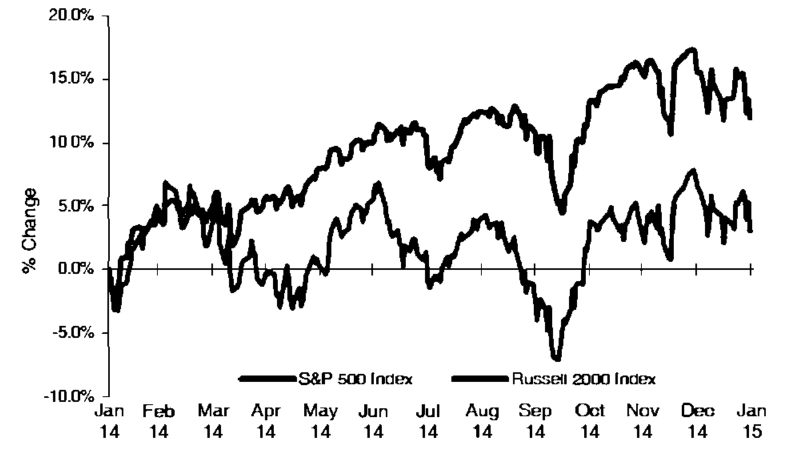
- Over the past 20 years, the S&P 500 and Russell 2000 have increased 7.5% and 8.1% per annum, respectively.
- For the month ended January 31, 2015, the S&P 500 decreased 3.1% and the Russell 2000 decreased 3.3%.
- For the 12 months ended January 31, 2015, the S&P 500 increased 11.9% and the Russell 2000 increased 3.1%.

Purchasing Managers' Index



Source: Dismal Scientist

One-Year Stock Index Performance



Source: Capital IQ, Inc.

Section IV

Industry Outlook

Industry Group Overview

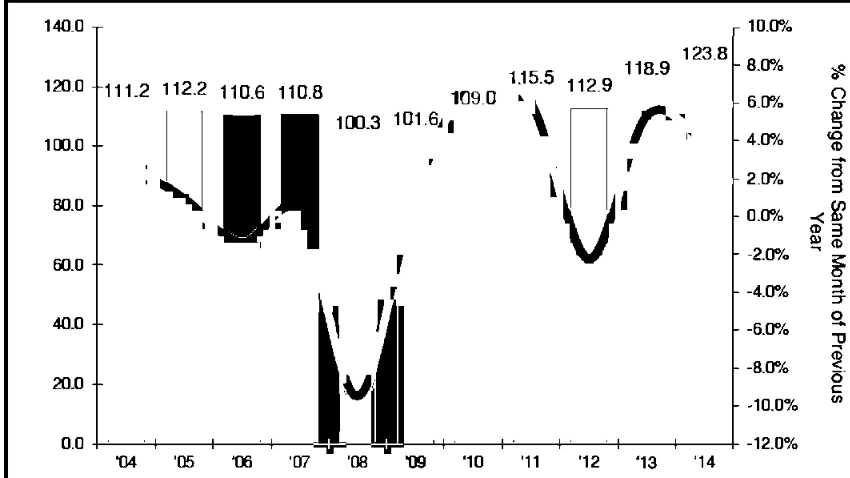
Trucking and Shipping

- The U.S. trucking and shipping industry produces annual revenue of approximately $160 billion, and includes approximately 65,000 establishments. Large companies include YRC, Schneider National, Con-way, Swift Transportation, and JB Hunt. Large, wealthy nations such as the United States, Japan, and Germany are top markets for trucking, but growth in emerging markets has prompted some companies to expand overseas. Despite significant consolidation in recent years, the industry group remains fragmented with the 50 largest companies accounting for 40% of industry revenue.
- Demand is driven by consumer spending and manufacturing output. The profitability of individual companies depends on efficient operations. Profitability in the trucking industry is closely tied to the overall health of the national economy, which varies from year to year. Declines in construction spending, consumer confidence, and industrial production can negatively impact trucking profits. During the late-2000s recession, U.S. production of durable consumer goods, a leading indicator of trucking demand, dropped more than 15%. Large companies have advantages in account relationships, bulk fuel purchasing, fleet size, and access to drivers. Small operations can compete effectively by providing quick turnaround, serving a local market, or transporting specialty products.
- Factors including increased consumer spending and a rebounding construction sector are driving expansion in the U.S. trucking industry. Economic contraction during the recession of the late 2000s forced trucking companies to cut employees, but the industry has achieved sustained growth as the economy has improved. U.S. truck transportation employment, which declined by 8.7% in 2009, has increased each year since 2011. The surge in trucking demand has exacerbated the industry's perennial driver shortage problem, which has led to significant wage increases.
- The general freight trucking industry has increased shipping fees by approximately 15% over the course of the past five years. Fee increases help cover rising operating costs related to wages and fuel. Most carriers add fuel surcharges to help offset higher fuel prices.
- Fuel costs rival labor expense as the trucking industry's highest operating cost. Diesel fuel can account for over 20% of revenues. Some companies buy fuel in bulk or hedge on fuel prices. With decreasing crude oil prices over the last eight months driving diesel prices lower, operating costs at trucking companies are decreasing significantly. Retail diesel prices in the United States, which averaged $3.82 in 2014, hit a four-year low at the end of the year. Prices are expected to average $3.07 per gallon in 2015, which could result in diesel surcharge savings of as much as $24 billion, according to Bloomberg. Reducing surcharges should free up trucking companies to raise shipping rates, which would help them cover rising salary and health care costs.

IV. INDUSTRY OUTLOOK

- During the next five years, IBISWorld projects long-distance freight trucking industry revenue to increase at an average annual rate of 4.6%. According to the American Trucking Association, in 2012, all freight trucks moved 9.4 billion tons of freight, which accounted for about 68.5% of all domestic shipments. This figure is expected to increase to 70.8% by 2024. Moving forward, trucking is expected to continue to be the most widely used mode of freight transportation, although the industry is expected to experience increased competition from the rail transportation industry due to fluctuations in fuel prices and greater consumer concern regarding environmental sustainability.
- Total U.S. durable goods manufacturers' shipments, an indicator of the volume of goods shipped by truck, increased 5.0% in 2014.
- American Trucking Associations' ("ATA") seasonally adjusted For-Hire Truck Tonnage Index increased 6.6% in January 2015 compared to the same month a year ago. For all of 2014, tonnage was up 3.7%.
- The Freight Transportation Services Index ("FTSI"), which measures the month-to-month changes in freight shipments in ton-miles, as published by the Bureau of Transportation Services ("BTS"), decreased 0.1% in December 2014 and has increased 4.1% since December 2013.

FTSI Annual Percentage Change

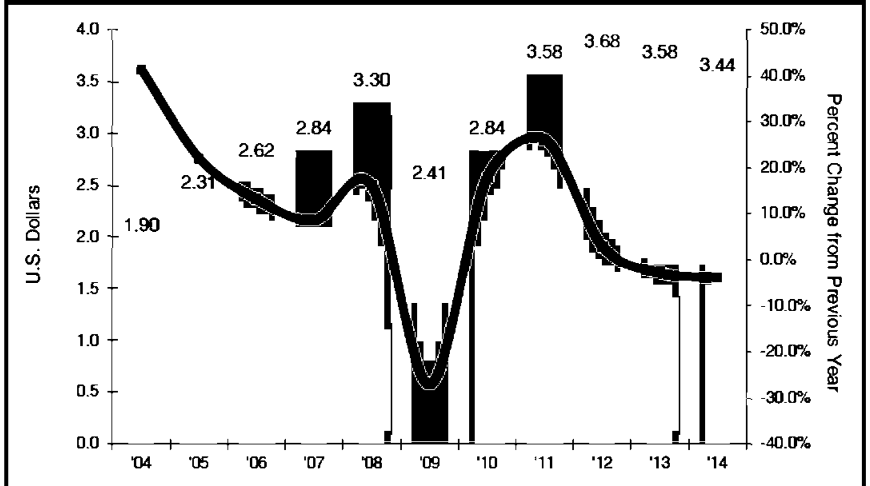


Source: Bureau of Transportation Statistics

IV. INDUSTRY OUTLOOK

- The average annual price of retail gasoline, a key input in the trucking and shipping industry, increased 21.1% since 2010 due to the increasing price of crude oil. However, since December 2012, the price of fuel has decreased, easing some of the financial pressure on the trucking and shipping industry.

Average Annual Price of Retail Gasoline



Source: U.S. Energy Information Association

- The trucking and shipping industry is a mature industry that is highly dependent on the strength of the U.S. economy. Improved economic conditions have increased volumes but excess capacity remains, increasing competition within the industry. Industry conditions are expected to improve, although modestly, in line with an expansion of the U.S. economy. It is important to note that many of the companies in the trucking and shipping industry have high overhead costs (debt obligations, union workforce, pension obligations, etc.).

Selected Financial Information of Ratios - Trucking & Shipping Industry

U.S. Dollars in Millions

	YRC Worldwide Inc.	ArcBest Corporation	Deutsche Post AG	Trucking & Shipping Industry Median	S&P 500 Median
Size					
Sales	$ 5,068.8	$ 2,612.7	$ 71,103.7	$ 2,139.3	$ 8,879.2
Assets	1,985.0	1,127.6	44,667.1	1,369.1	15,282.7
Market Value of Equity ("MVE")	581.8	1,051.0	40,379.7	2,145.3	18,986.2
EBITDA	197.2	159.3	4,299.9	204.7	1,867.0
Enterprise Value	1,520.6	991.9	44,343.9	2,197.7	22,753.7
Growth					
Sales 3-year CAGR	1.4%	11.1%	1.0%	7.2%	4.8%
EBITDA 3-year CAGR	55.9%	24.6%	8.2%	13.0%	6.6%
Net Income 3-Year CAGR	n/m	95.7%	24.8%	17.3%	6.7%
Unlevered FCF 3-Year CAGR	-36.0%	29.1%	13.1%	21.1%	10.1%
Total Assets 3-Year CAGR	-7.2%	7.2%	-3.9%	13.0%	5.5%
Stock Price 3-Year CAGR	18.6%	29.9%	25.0%	11.6%	5.0%
Short-Term Liquidity					
Current Ratio	1.2x	1.5x	1.0x	1.7x	1.5x
Quick Ratio	1.1x	1.3x	0.8x	1.4x	0.9x
Long-Term Solvency					
Total Debt / Equity	n/m	25.6%	61.2%	63.7%	70.0%
Total Debt / Capital	174.6%	20.4%	38.0%	43.5%	41.5%
Total Liabilities / Total Assets	123.9%	50.3%	75.7%	64.4%	60.1%
EBIT / Interest Expense	0.2x	0.9x	13.6x	7.3x	9.7x
Total Debt / EBITDA	5.6x	0.9x	1.5x	1.5x	2.1x
Altman Z-Score	1.3x	4.2x	2.7x	2.9x	3.5x
Margin Analysis					
Gross Profit Margin	9.2%	7.7%	11.5%	20.8%	42.0%
EBITDA Margin	3.9%	6.1%	6.0%	13.1%	22.4%
EBIT Margin	0.7%	2.8%	4.0%	6.9%	16.9%
Net Profit Margin	-1.4%	1.6%	2.2%	3.8%	10.4%
Unlevered FCF Margin	0.6%	3.4%	1.4%	0.7%	9.0%

Source: Capital IQ, Inc.

IV. INDUSTRY OUTLOOK

Grocery Stores and Supermarkets

- The U.S. retail grocery industry includes approximately 65,000 supermarkets and other grocery stores with combined annual revenues of $550 billion. Large companies include Kroger, Supervalu, Safeway, and Publix. The industry is highly concentrated with the 50 largest companies generating approximately 70% of industry revenue.
- The retail grocery industry is a mature industry that is somewhat dependent on the strength of the U.S. economy. Population growth and consumer tastes drive demand. Because margins are low, the profitability of individual companies depends on high volume sales and efficient operations. Large companies can offer a wide selection of products and have advantages in purchasing, distribution, marketing, and finance. Small companies can compete effectively by offering specialty products, serving a local market, or providing superior customer service.
- Nearly three-quarters of products sold are food items, including meats (14%); produce (10%); dairy products (8%); and frozen foods (5%). Nonfood items include health and beauty products, general merchandise, and medication (including prescription drugs).
- Grocery stores operate with extremely low margins and depend on volume to generate profits. In addition, competition limits a company's ability to raise prices. Because grocery retailing is generally a high volume/low margin business, effective supply chain management is critical to keeping costs low. While large companies buy directly from manufacturers, small chains and independent retailers rely on wholesalers. Depending on product mix, companies may buy from many distributors and use food brokers. Volume discounts also allow big chains to keep prices low. Manufacturers typically offer additional trade funds, which allow grocery stores to discount or promote certain products without sacrificing margins.
- As alternative retailers realized the traffic-driving power of food sales, competition for grocery stores expanded and the battle over food dollars became more intense. By buying in enormous volume, mass merchandisers and warehouse clubs have become low price leaders: Wal-Mart is the largest food retailer in the United States and holds an estimated 30% of the grocery market, according to Janney Capital Markets. In addition, time-starved consumers are spending a greater percentage of food dollars away from home at restaurants. Take-out food has helped restaurants cut into grocery stores' share of the food market.
- The supermarkets and grocery stores industry has grown since 2010, benefiting from a strengthening domestic economy. As per capita disposable income has grown over this period, some consumers have traded up to premium, organic and all-natural brands, helping lift industry revenue. Over the next five years to 2020, the grocery industry is anticipated to grow as a result of rising discretionary income, albeit at a more conservative rate than in the previous five-year period. As health concerns intensify, more consumers are expected to seek all-natural and organic products, which are priced at a premium. Operators are also anticipated to benefit from steady commodity markets that are expected to result in more gradual input cost increases. However, industry profitability is anticipated to decline as competition from alternative retailers heats up, causing operators to offer discounts and promotions. Consequently, industry revenue is forecasted to rise slowly, increasing at an average annual rate of 0.8% in the five years to 2020, according to IBISWorld.
- U.S. retail sales for food and beverage stores increased 3% in 2014.

- Because of intense competition, grocers typically have difficulty increasing prices. On average, retail prices for food increase between 2% and 3% annually. The consumer price index for food, an indicator of grocery store and supermarket product values, rose 3.4% in 2014. The most notable annual inflation increases were seen in the perimeter of the grocery store as retail beef and veal, pork, eggs, fish and seafood, dairy, and fresh fruit experienced above-average price increases. Altematively, items in the center aisles of grocery stores experienced below-average inflation or, in some instances, even deflation. In 2014, prices fell for fresh vegetables, sugars and sweets, and nonalcoholic beverages. The United States Department of Agriculture predicts that supermarket (food-at-home) prices will see average to slightly-lower-than-average food price inflation, increasing between 2% to 3% in 2015. Food deflation could reduce sales growth and earnings, while food inflation, combined with reduced consumer spending, could reduce gross profit margins and earnings.
- U.S. personal consumption expenditures at grocery stores and supermarkets are forecasted to increase at an annual compounded rate of 2% between 2014 and 2019, according to the Interindustry Economic Research Fund, Inc.
- Although average hourly industry wages are significantly below the national average, labor costs are typically a grocery store's largest expense. Most positions involve cashiering, restocking, food preparation, and bagging. Employment in the food and beverage stores industry on a seasonally adjusted basis increased 2.1% from January 2014 to January 2015.
- Consolidation is an increasing trend across the industry as competition within the industry has intensified and opportunities for industry growth are limited. Companies looking to enter new geographic and demographic markets are more likely to achieve growth by acquisition. In addition, smaller grocery stores continue to struggle to maintain profit margins, thus becoming attractive targets for acquisition.

Selected Financial Information of Ratios - Retail Food Industry

U.S. Dollars in Millions

	SUPERVALU Inc.	The Kroger Co.	Roundy's, Inc.	SpartanNash Company	Associated Wholesale Grocers, Inc.	Retail Food Industry Median	S&P 500 Median
Size							
Sales	$ 17,411.0	$ 106,480.0	$ 4,229.4	$ 7,355.0	$ 8,934.2	$ 3,855.4	$ 8,879.2
Assets	5,078.0	30,222.0	1,089.7	1,991.3	1,359.0	1,599.5	15,282.7
Market Value of Equity ("MVE")	2,586.8	34,382.9	194.1	1,008.3	n/a	1,085.9	18,986.2
EBITDA	760.0	4,979.0	137.6	201.4	277.8	201.4	1,867.0
Enterprise Value	5,400.8	45,679.9	804.3	1,557.1	n/a	1,669.7	22,753.7
Growth							
Sales 3-year CAGR	0.1%	6.1%	3.6%	50.5%	4.8%	4.9%	4.8%
EBITDA 3-year CAGR	18.9%	17.5%	-16.3%	29.2%	7.7%	4.1%	6.6%
Net Income 3-Year CAGR	n/m	43.2%	n/m	-9.8%	10.2%	10.7%	6.7%
Unlevered FCF 3-Year CAGR	n/m	28.4%	-78.1%	41.6%	0.6%	5.1%	10.1%
Total Assets 3-Year CAGR	-27.0%	9.5%	-11.3%	46.5%	n/a	4.6%	5.5%
Stock Price 3-Year CAGR	15.9%	47.1%	-24.9%	14.1%	n/a	3.8%	5.0%
Short-Term Liquidity							
Current Ratio	1.1x	0.8x	1.2x	1.8x	1.2x	1.3x	1.5x
Quick Ratio	0.5x	0.1x	0.3x	0.6x	0.6x	0.5x	0.9x
Long-Term Solvency							
Total Debt / Equity	n/m	215.9%	n/m	74.8%	30.3%	74.8%	70.0%
Total Debt / Capital	125.1%	68.3%	111.3%	42.8%	23.2%	52.0%	41.5%
Total Liabilities / Total Assets	112.7%	82.3%	106.1%	62.6%	67.7%	66.7%	60.1%
EBIT / Interest Expense	1.7x	6.4x	1.1x	5.1x	68.2x	5.6x	9.7x
Total Debt / EBITDA	4.2x	2.3x	4.8x	2.8x	0.5x	2.4x	2.1x
Altman Z-Score	3.2x	4.8x	4.1x	4.7x	n/a	4.8x	3.5x
Margin Analysis							
Gross Profit Margin	14.8%	21.3%	26.8%	14.8%	7.7%	26.8%	42.0%
EBITDA Margin	4.4%	4.7%	3.3%	2.7%	3.1%	4.6%	22.4%
EBIT Margin	2.7%	2.9%	1.6%	1.6%	2.6%	2.8%	16.9%
Net Profit Margin	0.7%	1.5%	0.1%	0.8%	2.5%	1.5%	10.4%
Unlevered FCF Margin	2.3%	1.1%	0.0%	0.9%	1.0%	1.8%	9.0%

Source: Capital IQ, Inc.

IV. Industry Outlook

Packaged Food and Meats Industry

- The packaged foods and meats industry includes commercial bakeries, consumable food packaging companies, and dairy manufacturers.
- The United States bakery industry consists of approximately 2,800 commercial bakeries, with combined annual revenue of $36 billion, and 6,000 small retail bakeries, with $3.8 billion of total revenue. Large companies include Flower Foods and McKee Foods (based in the United States), along with Aryzta (Switzerland), Grupo Bimbo (Mexico), Weston Foods (Canada), and Yamakazi Baking (Japan). The commercial side of the industry is highly concentrated and the 50 largest commercial bakers generate 75% of the revenue. The retail side of the industry is fragmented, as the typical baker operates just one facility.
- Consumption of bakery products is generally limited by the growth of the U.S. population, about 1% per year. As customers like supermarket chains (including Wal-Mart) get bigger and have greater leverage with suppliers, small bakers find themselves squeezed by bigger producers that can negotiate nationwide contracts.
- According to IBISWorld, the global bakery goods manufacturing industry has increased modestly since 2009, despite having faced numerous challenges. Namely, the demand for bakery products has stagnated in the mature markets of Western Europe and North America, causing manufacturers to seek opportunities in high-growth regions. Higher product prices, driven by increasing input costs, have also curbed the demand for industry goods. Despite stagnating sales volume, consumers have turned to premium baked goods, including organic, gluten-free and nutrient-enhanced products, helping lift industry revenue. According to IBISWorld, the global bakery goods manufacturing industry revenue is expected to increase at an annualized 3.0% in the five years to 2019.
- According to Inforum, the output for U.S. bakery and pasta products is forecasted to increase at an annual compounded rate of 3% between 2014 and 2018.
- The U.S. dairy products manufacturing industry consists of about 1,100 companies that have combined annual revenue of $107 billion. Major companies include Dean Foods, cooperatives such as Dairy Farmers of America and Land O'Lakes, and the U.S. subsidiaries of foreign companies such as Danone. The industry is concentrated - the 50 largest companies account for about 75% of revenue.
- Changes in consumer income drive demand for various types of dairy foods. The profitability of individual companies depends on efficient operations and marketing, as milk is a commodity product. There are few economies of scale in the manufacturing process, which is why small companies can effectively compete with large ones in local markets. The industry is capital-intensive: average annual revenue per employee is about $800,000.
- Total consumption of fluid milk in the United States has decreased in recent years. Population increases have offset declines in per capita milk consumption. According to First Research in 2014, each year the average American consumed approximately 20 gallons of milk, compared to 50 gallons of soft drinks and 25 gallons of coffee. In 2000 Americans drank approximately 22 gallons of milk annually.

IV. INDUSTRY OUTLOOK

- U.S. commodity prices for raw milk increased more than 23% in July of 2014, sending dairy product makers' costs higher. Widespread drought in the United States has reduced cattle herds to the lowest level in more than 60 years and tightened supplies of some key dairy products. Some dairy product manufacturers were having difficulty building inventories ahead of fourth-quarter peak milk product consumption in 2014. (Consumption rises as televised football drives pizza demand and consumers and food producers use more butter around the holidays.) Makers of products such as ice cream and cottage cheese felt margin pressure in the second quarter of 2014, as butterfat prices increased more than 30%.
- Profitability can be increased by more efficient production and distribution operations, or by creating products with higher profit margins. Other producers have concentrated on making premium products, like gourmet Italian cheeses, or new products, such as "lite" and low-fat versions.
- According to Inforum, the output of U.S. dairy products manufacturing is forecasted to increase at an annual compounded rate of 4.0% between 2014 and 2018.
- The breakfast cereal manufacturing industry includes about 35 companies with combined annual revenue of approximately $10 billion. Major companies include General Mills, Kellogg, Post Foods, Quaker, and Ralcorp. The industry is highly concentrated with the top four companies accounting for 80% of industry revenue. The industry is capital intensive with the average annual revenue per employee of about $700,000.
- Demand for breakfast cereal manufacturing is driven by demographics and health considerations. The profitability of individual companies depends on managing raw material cost, operating efficiently, and maximizing retail shelf space. Typical customers are grocery stores; membership stores; natural food chains; drug, dollar and discount stores; restaurants; and convenience stores.
- Breakfast cereal makers are facing increased competition from other breakfast foods, according to Bakeryandsnacks.com. Convenience is often what drives consumers to select yogurt, breakfast biscuits and bars, and dairy drinks instead of cereal. Smaller-sized boxes and customized portions that are more portable are more likely to drive steady growth. Kellogg executives cited lack of innovation in the cereal sector as a factor in the company's disappointing declining net profits in 2014.
- U.S. nondurable goods manufacturers' shipments of milled grains and oilseed products, an indicator of demand for breakfast cereal goods, decreased 3.9% percent from 2013 to 2014.
- The consumer price index for food, an indicator of packaged food and meat values, rose 3.4% in 2014. U.S. retail sales for food and beverage stores, a potential measure of packaged food product sales, increased 3% from 2013 to 2014.
- The packaged food and meats industry is mature and somewhat affected by current economic conditions. In addition, each company's profitability is primarily affected by increases in the prices of raw materials and commodities, such as milk and wheat, and their ability to pass-through raw material price increases to customers. Consolidation in the supermarket industry could have a material effect on the industry as large chains decrease their dependence on outside dairy companies and bakeries.

Selected Financial Information of Ratios - Packaged Food & Meats Industry

U.S. Dollars in Millions

	Grupo Bimbo, S.A.B. de C.V.	Dean Foods Company	Kellogg Company	Packaged Food & Meats Industry Median	S&P 500 Median
Size					
Sales	$ 13,730.0	$ 9,503.2	$ 14,567.0	$ 2,532.0	$ 8,879.2
Assets	12,218.6	2,769.6	15,772.0	2,023.9	15,282.7
Market Value of Equity ("MVE")	13,182.1	1,538.5	23,091.6	2,302.2	18,986.2
EBITDA	1,497.6	195.6	3,749.0	294.9	1,867.0
Enterprise Value	17,534.3	2,439.3	30,439.6	2,559.0	22,753.7
Growth					
Sales 3-year CAGR	14.0%	-0.7%	3.7%	6.5%	4.8%
EBITDA 3-year CAGR	15.8%	-17.8%	29.2%	10.5%	6.6%
Net Income 3-Year CAGR	4.9%	n/m	29.1%	6.3%	6.7%
Unlevered FCF 3-Year CAGR	25.8%	n/m	43.9%	9.9%	10.1%
Total Assets 3-Year CAGR	6.5%	-21.6%	10.7%	8.0%	5.5%
Stock Price 3-Year CAGR	7.6%	-12.8%	6.6%	8.8%	5.0%
Short-Term Liquidity					
Current Ratio	0.9x	1.5x	0.8x	2.0x	1.5x
Quick Ratio	0.7x	1.0x	0.4x	0.9x	0.9x
Long-Term Solvency					
Total Debt / Equity	119.3%	146.2%	223.9%	65.1%	70.0%
Total Debt / Capital	54.4%	59.4%	69.1%	41.3%	41.5%
Total Liabilities / Total Assets	69.1%	77.4%	78.2%	56.0%	60.1%
EBIT / Interest Expense	4.2x	0.5x	14.9x	10.3x	9.7x
Total Debt / EBITDA	3.0x	4.7x	2.1x	2.1x	2.1x
Altman Z-Score	2.6x	4.0x	2.9x	3.6x	3.5x
Margin Analysis					
Gross Profit Margin	53.2%	17.6%	43.2%	30.8%	42.0%
EBITDA Margin	10.9%	2.1%	25.7%	12.6%	22.4%
EBIT Margin	7.9%	0.3%	21.9%	9.4%	16.9%
Net Profit Margin	3.6%	-0.2%	12.2%	5.2%	10.4%
Unlevered FCF Margin	3.1%	-0.3%	13.8%	4.7%	9.0%

Source: Capital IQ, Inc.

Section V

Employers' Financial Analysis

YRC Worldwide

Company Overview

- YRC offers its clients a comprehensive suite of services for the shipment of industrial, commercial and retail goods domestically and internationally. YRC has one of the largest, most comprehensive less-than-truckload ("LTL") networks in North America. YRC's business is divided into its YRC Freight segment, which focuses on national, regional, and international services, and its Regional Transportation segment, which focuses on regional and next-day delivery markets. As of December 31, 2014, YRC had approximately 12,700 owned tractors, 2,000 leased tractors, 40,700 owned trailers, and 5,100 leased trailers. The company was founded in 1924 and is headquartered in Overland Park, Kansas.
- As of December 31, 2014, YRC was substantially leveraged with $1.1 billion in aggregate par value of outstanding indebtedness. YRC also has, and will continue to have, significant lease obligations. YRC expects the company's funding obligations in 2015 under YRC's single-employer and multi-employer pension funds to equal approximately $151.9 million. YRC's substantial indebtedness, lease obligations and pension funding obligations could continue to have a significant impact on its business.
- YRC experienced net losses in fiscal years 2010 through 2014. Contributing factors to the net losses in these years include the prolonged slow economic recovery, competitive pressures in the LTL industry stemming from excess capacity that resulted in lower profit margins, interest expense and financing costs, and YRC's operating cost structure.
- YRC accounted for approximately 8.9% of the pension contributions to the Plan in fiscal 2014. YRC contributed a total of $84.9 million, $88.7 million, and $91.6 million to all multi-employer pension funds (including the Plan) for the years ended December 31, 2012, 2013 and 2014. Based on information provided by the Plan, YRC currently has an unfunded withdrawal liability of $6.9 billion for the Plan compared to a current market capitalization of approximately $581.8 million.

Financial Statement Analysis

Balance Sheet

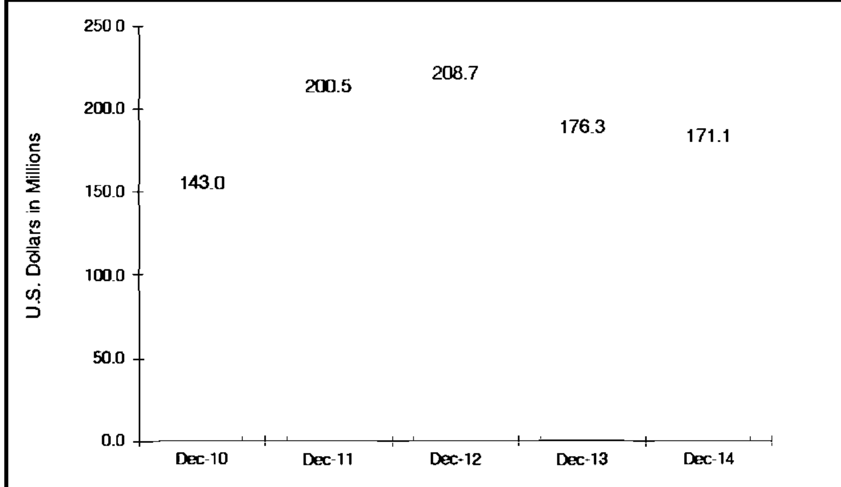
Cash and Cash Equivalents Balance

- Cash and cash equivalents increased through December 31, 2012 due in part to net issuance of debt and fairly stable cash flow from operations.
- Cash and cash equivalents declined to $171.1 million as of December 31, 2014, consistent with increases in capital expenditures.

Interest-Bearing Debt

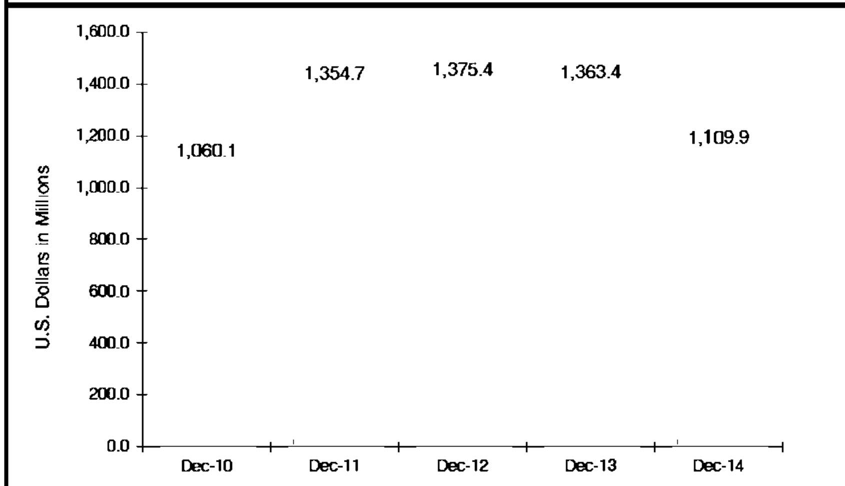
- YRC's debt decreased from $1.4 billion as of December 31, 2013 to $1.1 billion as of December 31, 2014, due in part to YRC's net repayment of $195.9 million of long-term debt in fiscal 2014, which was largely financed through a $250.0 million equity issuance in fiscal 2014.

Cash and Cash Equivalents Balance



Source: YRC 10-Ks and 10-Qs

Interest-Bearing Debt



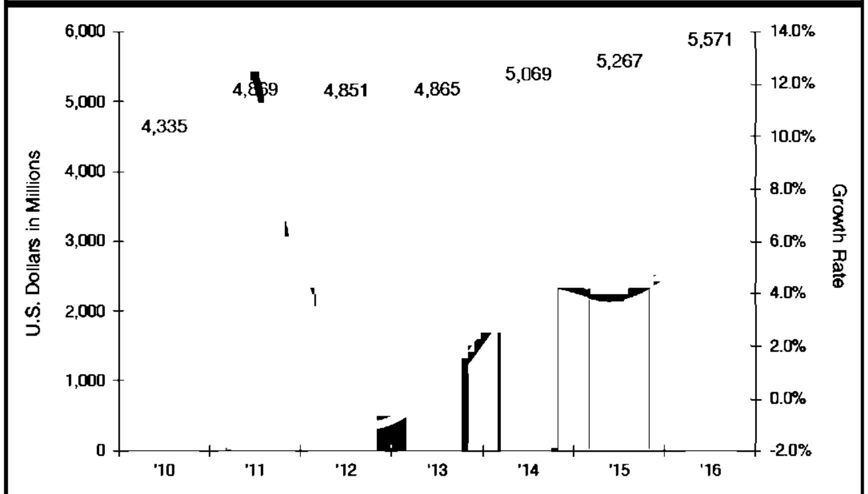
Source: YRC 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Income Statement

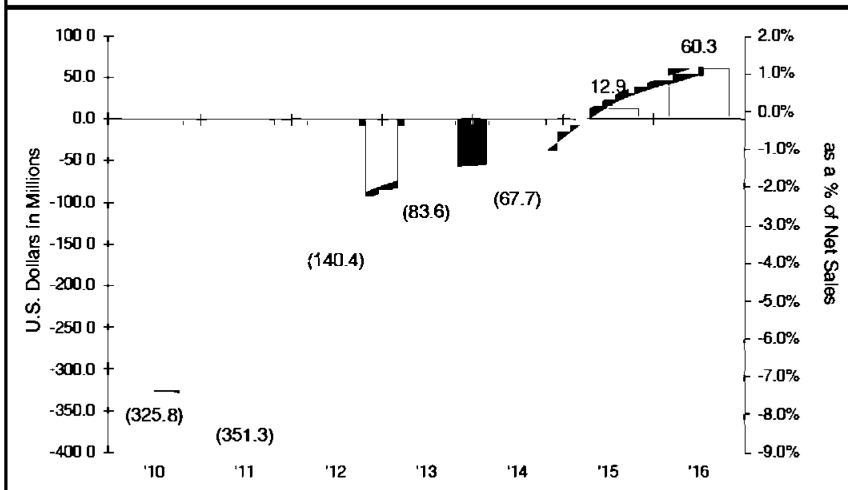
- Net sales increased 4.2% in fiscal 2014 as a result of increased yields and higher total shipments in both the YRC Freight and Regional Transportation segments. Volumes were impacted by multiple factors, most notably the improvement of the overall economic environment and increased shipper confidence due to YRC's modified labor agreement and the finalization of a series of financing transactions which reduced YRC's outstanding debt and effective borrowing costs on its debt. The increase in yield was largely driven by a stronger pricing environment due to a reduction in excess capacity.
- Net income improved from a loss of $351.3 million in fiscal 2011 to a loss of $67.7 million in fiscal 2014 due primarily to the company's focus on efficiency and cost reduction. YRC's net income remained negative due to YRC's above industry cost structure (due largely to its status as a union carrier), which YRC has been attempting to improve through its numerous cost reduction initiatives.
- Consensus analyst estimates project YRC's revenue to increase in fiscal 2015 and fiscal 2016, generating a positive net income for the first time since fiscal 2006.

Net Sales



Source: YRC 10Ks and 10Qs

Net Income

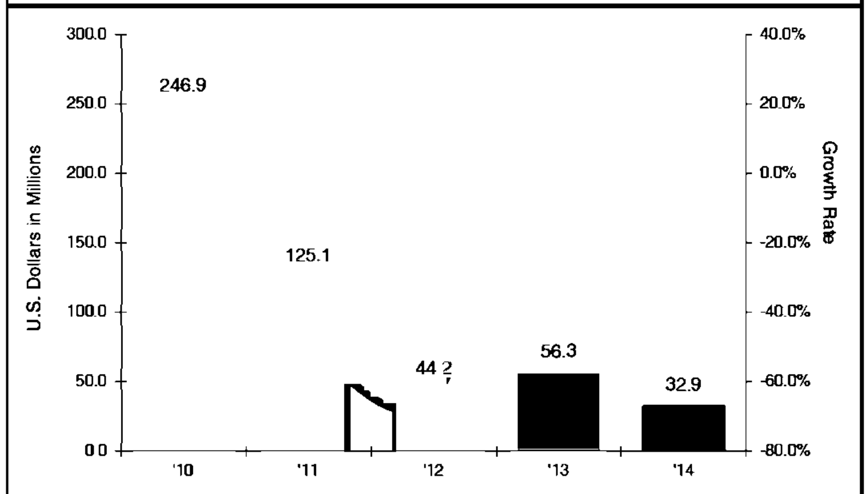


Source: YRC 10-Ks and 10-Qs

Cash Flow Statement Analysis

- Consistent with improving economic conditions, YRC generated positive unlevered free cash flows in fiscal years 2010 through 2014.
- Unlevered free cash flow decreased from $246.9 million in fiscal 2010 to $125.1 million in fiscal 2011 due primarily to an increase in capital expenditures and reduced cash flow generated from operating activities.
- In fiscal 2014, YRC generated $32.9 million of unlevered free cash flow, consistent with positive cash flow from operations. Unlevered free cash flow decreased from the prior year primarily due to investments in working capital.
- Future debt repayments of pension and post-retirement benefits are expected to represent a significant strain on YRC's future cash flows.

Unlevered Free Cash Flow



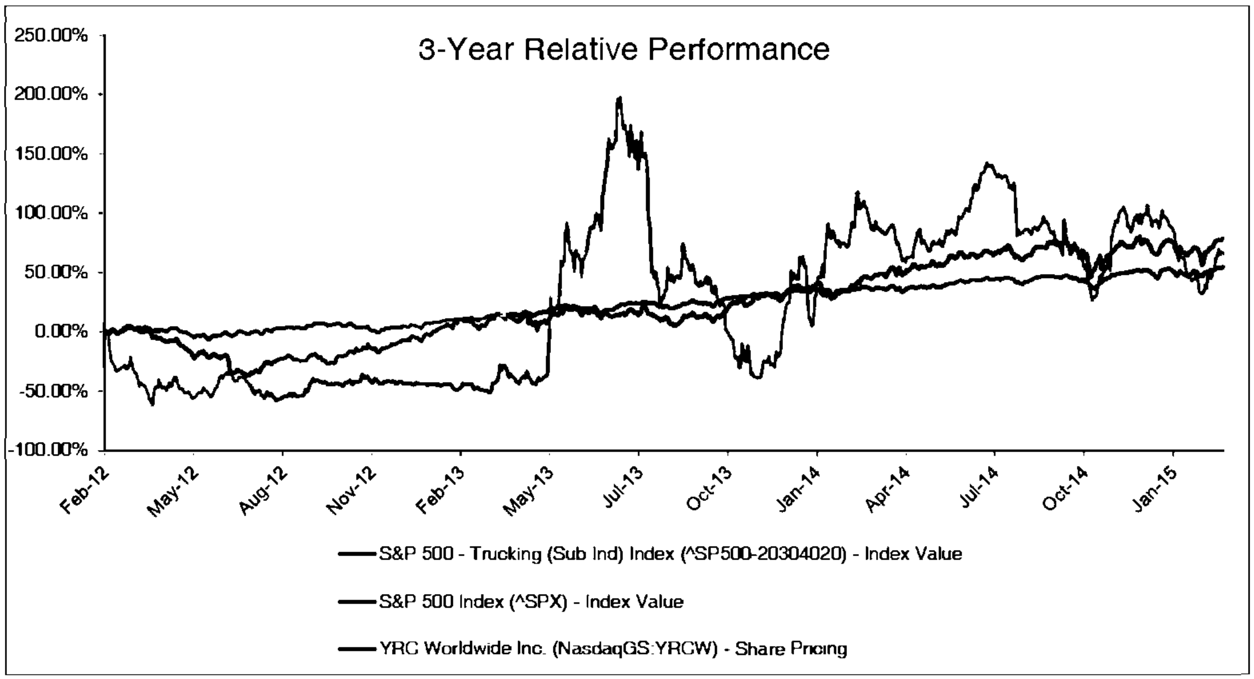
Source: YRC 10-Ks and 10-Qs

Credit Analysis

- According to credit ratings published by S&P, YRC possesses a credit rating of CCC+. This rating indicates that YRC is currently vulnerable to nonpayment, and is dependent on favorable business, financial, and economic conditions in order for YRC to meet its upcoming financial commitments on current obligations.
- The Altman Z-Score ("Z-Score") is a predictive model, created by Edward Altman, which incorporates various financial ratios in order to determine the likelihood of bankruptcy amongst companies. A lower Z-Score indicates increased odds for bankruptcy. Companies with Z-Scores above three are generally considered healthy, and therefore unlikely to enter bankruptcy. Z-Scores between 1.8 and 3 can be viewed as neutral Z-Scores. According to Capital IQ, YRC's Z-Score as of December 31, 2014 was 1.3. Based on YRC's Z-Score, YRC has a high probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- YRC's stock price performance fluctuated significantly for the majority of the three-year period ended February 22, 2015, consistent with investor uncertainty regarding the financial condition of YRC and improving profitability over the last two years.
- The S&P 500 Trucking Index underperformed the S&P 500 Index through 2012 and 2013 before beginning to outperform the S&P 500 at the beginning of January 2014. While both indexes have increased over the last three years, the S&P Trucking index has increased 78.9%, while the S&P 500 Index has increased 54.8% since February 23, 2012.
- During the three-year period ended February 23, 2015, YRC's stock price has increased 65.9%, from $12.03 on February 23, 2012 to $20.09 on February 23, 2015.



Equity Research Analyst Reports

1) **Raymond James & Associates – February 6, 2015**

   - *While the company has made strides toward operating YRC Freight at a sustainable level of profitability, we believe continued progress here will strengthen the company's earnings power given the substantial operating leverage inherent in this business. However, there remain execution risks as well as headwinds from further fleet investments. Management expects to continue to reinvest in equipment in the form of operating leases in 2015, which is expected to pressure consolidated EBITDA margin by about 1%.*

2) **Deutsche Bank – February 6, 2015**

   - *Although Q4 results were bolstered by fuel, we believe the improved performance at Freight bodes well for the company's turnaround efforts. YRC Freight margins expanded nearly 400bps y/y as the company aggressively increased yield. In addition, the company plans to deploy additional technology at its distribution centers including tablets to better optimize linehaul load factor, improve dock productivity, and to-a-lesser extent aid yield performance. Moreover, YRC Freight and Regional Transportation made adjustments to their fuel surcharge mechanism to improve account profitability and match the emerging new industry standard. We have lowered our 2015 EBITDA estimate to $300 million (from $310 million) to reflect modestly lower earnings at Regional which was somewhat offset by better-than-expected yield improvement at Freight.*

3) **Deutsche Bank – October 31, 2014**

   - *We believe Q3 represented the beginning of an LTL turnaround story that we believe will produce strong incremental margins as YRC Freight adds density to an underutilized fixed-cost network, raises yields given improving service and technology investments, and optimizes its cost structure. Yesterday, YRCW reported Q3 adjusted EBITDA of $81.6 million, which was above our estimate of $78.3 million and its pre-announced range of $75-80 million, as the company reaped the benefits from its network optimization initiatives, a strengthening pricing environment, and better cost controls. We believe YRCW has only just begun to realize its margin expansion potential from its various network initiatives that will likely play out over the next several quarters.*

4) **Raymond James & Associates – October 31, 2014**

   - *The company's liquidity position (cash and cash equivalents combined with amounts able to be drawn under the ABL facility) improved $3.5 million sequentially to $212.9 million and roughly $29.7 million over the last two quarters combined. That progress comes in the face of plans to replace 600 tractors and 2,000 trailers over the next 6 months.*

ArcBest Corporation

Company Overview

- ArcBest is a freight transportation services and integrated logistics solutions provider with five reportable operating segments. The company was formerly known as Arkansas Best Corporation. ArcBest was originally founded in 1935, and is headquartered in Ft. Smith, Arkansas.
- ArcBest's principal operations are conducted through its Freight Transportation ("ABF Freight") segment, which consists of ABF Freight System, Inc. and certain other subsidiaries of the company. ArcBest's other reportable operating segments are the following non-asset-based businesses: Premium Logistics ("Panther"); Emergency & Preventative Maintenance ("FleetNet"); Transportation Management ("ABF Logistics"); and Household Goods Moving Services ("ABF Moving"). Together, ABF Freight and the company's non-asset-based segments provide a comprehensive suite of transportation and logistics services.
- ABF Freight competes with nonunion and union LTL carriers, including YRC, FedEx, UPS, and Con-Way Inc. as well as numerous other national, regional, and local motor carriers. ABF Freight accounted for 74% of ArcBest's revenue in fiscal 2014. ABF Freight provides services to over 48,000 communities in North America and Puerto Rico.
- In response to customers' needs for an expanded service offering, ArcBest has strategically increased investment in its non-asset-based businesses. The additional resources invested in growing the non-asset-based businesses is part of management's long-term strategy to ensure that ArcBest is well equipped to serve the changing marketplace through these businesses and its traditional LTL operations to provide a comprehensive suite of transportation and logistics services. As part of such strategy, the company acquired Panther on June 15, 2012. Panther, is one of North America's largest providers of expedited freight transportation services with expanding service offerings in premium freight logistics and freight forwarding.
- ArcBest was the largest contributor to the Plan in fiscal 2014, and accounted for approximately 12.7% of the pension contributions to the Plan in fiscal 2014. Based on information provided by the Plan, ArcBest currently has an unfunded withdrawal liability of over $2.3 billion compared to a current market capitalization of approximately $1.1 billion.

Financial Statement Analysis

Balance Sheet Analysis

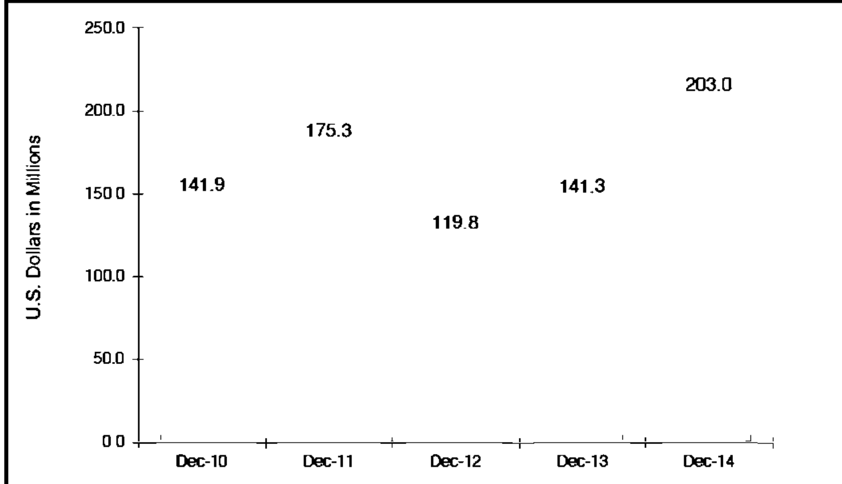
Cash and Short-Term Investments

- Cash and short-term investments decreased from $175.3 million as of December 31, 2011 to $119.8 million as of December 31, 2012 as the company utilized approximately $180 million in cash to finance the Panther acquisition.
- Thereafter, cash and short-term investments increased to $203.0 million as of December 31, 2014,consistent with positive cash flows from operations.

Interest-Bearing Debt

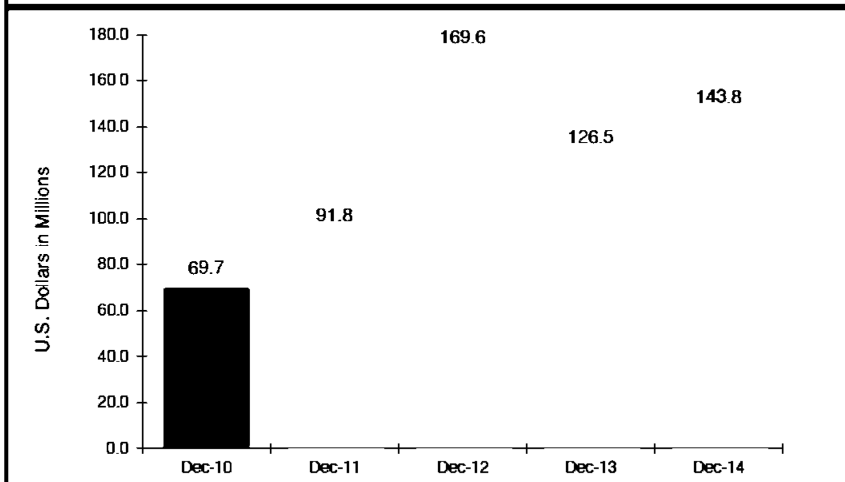
- Interest-bearing debt increased from $91.8 million as of December 31, 2011 to $169.6 million as of December 31, 2012, due primarily to an increase in borrowing to finance the Panther acquisition.
- As of December 31, 2013, interest-bearing debt decreased to $126.5 million as ArcBest made repayments on its long-term debt.

Cash and Short-Term Investments



Source: ArcBest Corporation 10-Ks and 10-Qs

Interest-Bearing Debt

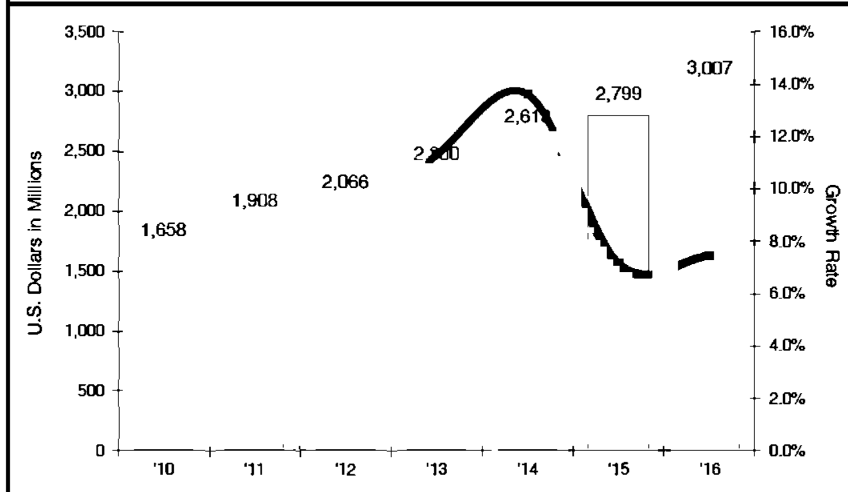


Source: ArcBest Corporation 10-Ks and 10-Qs

Income Statement Analysis

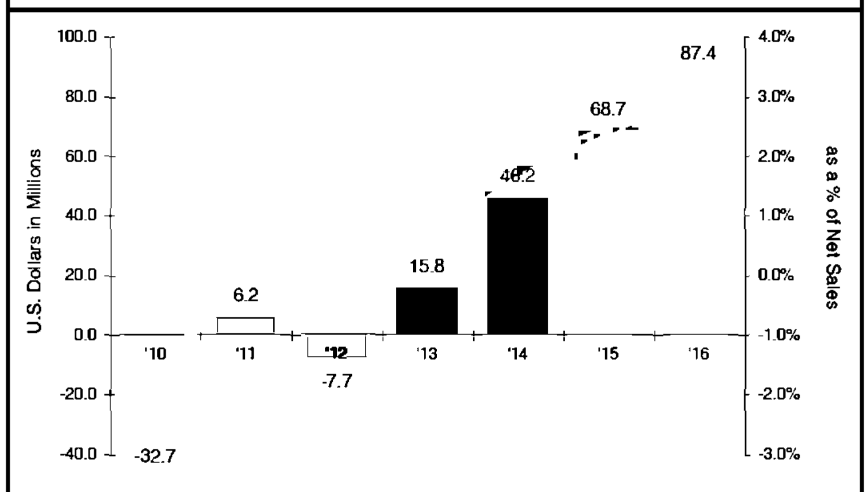
- Revenue increased 13.6% from $2.3 billion in fiscal 2013 to $2.6 billion in fiscal 2014. This increase in revenue reflects increases in tonnage levels and increases in logistics services revenue, in particular, following the Panther acquisition in fiscal 2012. Improving economic conditions have increased the business activity of ArcBest's customers, which has led to increased customer orders.
- Net income increased by approximately three-fold from $15.8 million in fiscal 2013 to $46.2 million in fiscal 2014. The increase in net income in fiscal 2014 is primarily attributable to increased revenue and reduction of labor expenses as a result of a November 2013 union contract which allowed ArcBest to be more cost-competitive with its LTL industry peers. In addition, the increase in net income can also be attributed to the improved economic environment and its impact on tonnage levels.
- Consensus analyst estimates expect ArcBest's revenue to continue increasing, generating significant growth in net income over the next two years.

Net Sales



Source: ArcBest Corporation 10-Ks and 10-Qs

Net Income



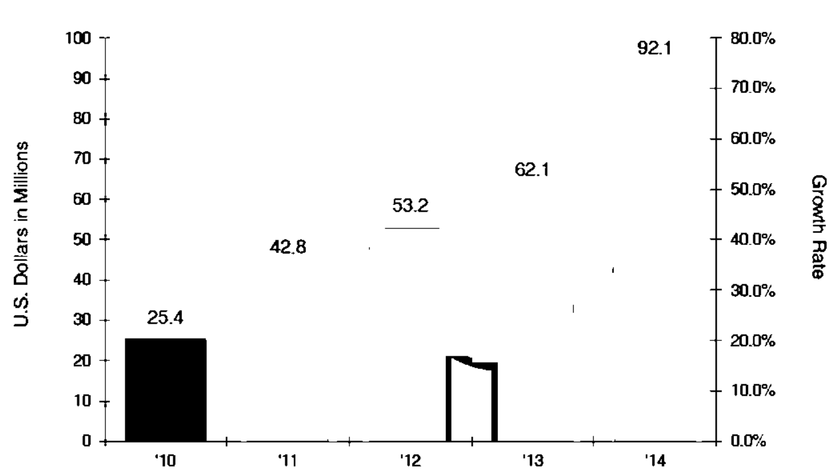
Source: ArcBest Corporation 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Cash Flow Analysis

- ArcBest's unlevered free cash flow increased from $62.1 million in fiscal year 2013 to $92.1 million in fiscal 2014, due primarily to increased net income.
- Unlevered free cash flow has been positive and growing since fiscal 2010, consistent with positive cash flows from operations.

Unlevered Free Cash Flow



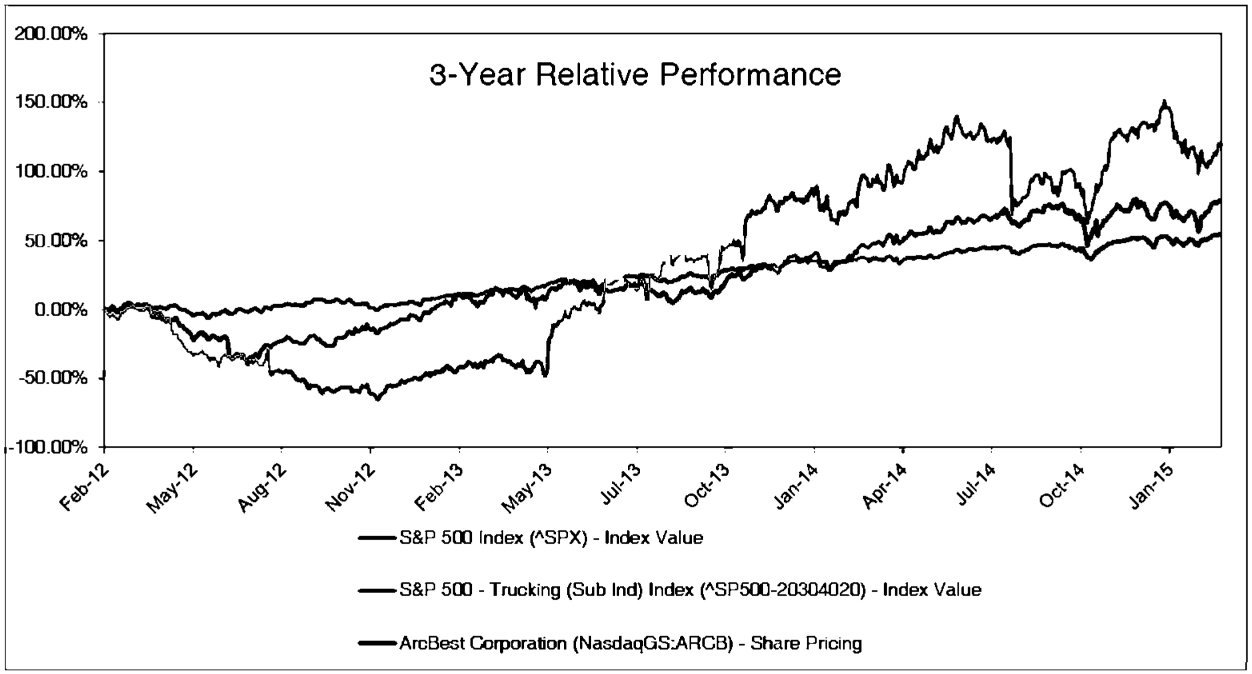
Source: ArcBest Corporation 10-Ks and 10-Qs

Credit Analysis

- According to Capital IQ, ArcBest's Z-Score as of December 31, 2014 was 4.2. Based on ArcBest's Z-Score, ArcBest has a very low probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- ArcBest's stock price performance underperformed the S&P 500 and S&P Trucking Index for the first half of the three-year period ended February 23, 2015 before beginning to outperform both indices in July 2013. The recent performance of ArcBest can be attributed to improving economic conditions which have increased trucking and shipping demand and increased investor confidence as the company has increased revenue and net income over the last two years.
- During the three-year period ended February 23, 2015, ArcBest's stock price has increased 119.4%, from $18.81 on February 23, 2012 to $41.27 on February 23, 2015.



Equity Research Analyst Reports

1) **S&P Capital IQ – February 14, 2015**

- *We see margins in 2015 and 2016 benefiting from a rise in per-mile rates tied to a tightening in industry capacity, as well as by leveraging costs over the higher revenues we forecast. We think industry capacity levels should continue to be supportive of rate hikes over the next two years.*
- *We think ARCB's amended labor contract enables the company to better compete with other LTL carriers, though we are worried about the potential for workers to begin to claw back wage cuts in year two of the contract. This, along with profit sharing provisions and a likely rise in pension expenses, will cap margins beyond 2015, in our view.*
- *We believe there is significant competition among LTL carriers, as well as with other modes of transportation, such as truckload, air cargo, and package delivery. Efficiency and speed advantages have led to regional, mostly nonunionized LTL carriers gaining market share from national, mostly unionized carriers.*

2) **RBC Capital Markets – February 4, 2015**

- *We believe that the outlook for the year is a little less encouraging (at least in 1Q) when compared to current expectations. We expect to see earnings improvement as these cost headwinds ease and as the carrier is able to capture higher yields, but wouldn't be surprised to see some earnings volatility until improved headcount efficiency is achieved.*
- *The company's core LTL operations have shown improvement after several quarters of disappointing results (largely due to rail service issues and inexperienced workers). That said, the near-term labor headwinds due to the onboarding of inexperienced dockworkers to meet increased demand will likely weigh on results for only the next quarter or two.*
- *ARCB has the ability to grow Panther. This acquisition provided the company with some much needed diversity in its revenue stream. We believe that improving demand and tight capacity will drive better results at this division over the next few years.*
- *We now believe the worst is behind the company and that it can again achieve more consistent profitability given labor wage concessions. The approval of wage and work rule concessions from the union has allowed ARCB to achieve sustained profitability for now. That said, the big question continues to be whether or not the expected cost savings from the network/terminal restructuring can offset the reduction in labor cost savings once the concessions expire.*

3) Morningstar – February 4, 2015

- *In recent years, the firm has assumed an aggressive stance toward unprofitable relationships, and pricing execution has improved, with core yields rising in the mid-single digits on average. Constrained trucking-industry capacity and rational rate setting among most LTL carriers have also helped pricing power.*
- *ArcBest still faces persistent long-term wage inflation and is plagued by mandatory multi-employer pension fund contributions that increase the minimum level of top-line growth required for margin expansion. That said, recent diversification into higher-growth end markets (following the Panther acquisition) and secular strength in industry pricing is allowing for solid margin gains.*

Deutsche Post AG

Company Overview

- Deutsche Post AG and its subsidiaries provide logistics and communications services primarily in Germany, as well as throughout Europe, the Americas, Asia Pacific, and other regions. The company is headquartered in Bonn, Germany and has approximately 480,000 employees. Deutsche Post operates through four divisions: Mail; Express; Global Forwarding, Freight ("GFF"); and Supply Chain.
- The Mail division is engaged in the transport and delivery of written communications. This division serves households, retail outlets, and business customers.
- The Express division offers international and domestic courier and express services to business and private customers in more than 220 countries and territories.
- The GFF division is involved in the transportation of goods by rail, road, air, and sea, as well as provision of transport management and customs clearance services. It also offers full, part, and less than truckload freight services; and intermodal transport services. This division provides its solutions for industrial projects, as well as offers sector-specific solutions.
- The Supply Chain division is engaged in contract logistics activities; provision of supply chain logistics solutions, such as warehousing, distribution, managed transport, business process outsourcing, supply chain management and consulting, and value-added services; and end-to-end solutions for corporate information and communications management. This division serves consumer, retail, technology, life sciences and healthcare, automotive, and energy sectors.
- Deutsche Post accounted for approximately 1.4% of the pension contributions to the Plan in fiscal 2014. Based on information provided by the Plan, Deutsche Post currently has an unfunded withdrawal liability of $454.6 million compared to a current market capitalization of approximately $40.3 billion.

Financial Statement Analysis

Balance Sheet Analysis

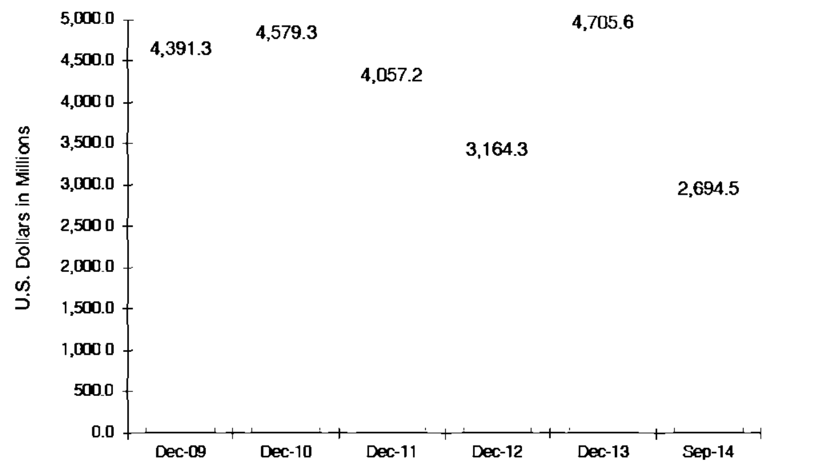
Cash and Cash Equivalents

- Deutsche Post's cash and equivalents balance increased from $3.2 billion as of December 31, 2012 to $4.7 billion as of December 31, 2013 due to an increase in operating cash flow before changes in working capital. The prior-year figure had been negatively impacted by a one-time increase in the plan assets of German pension plans and portions of the additional VAT payment.
- Cash and cash equivalents decreased to $2.7 billion as of September 30, 2014 due primarily to Deutsche Post's repayment of debt in fiscal 2014.

Interest-Bearing Debt

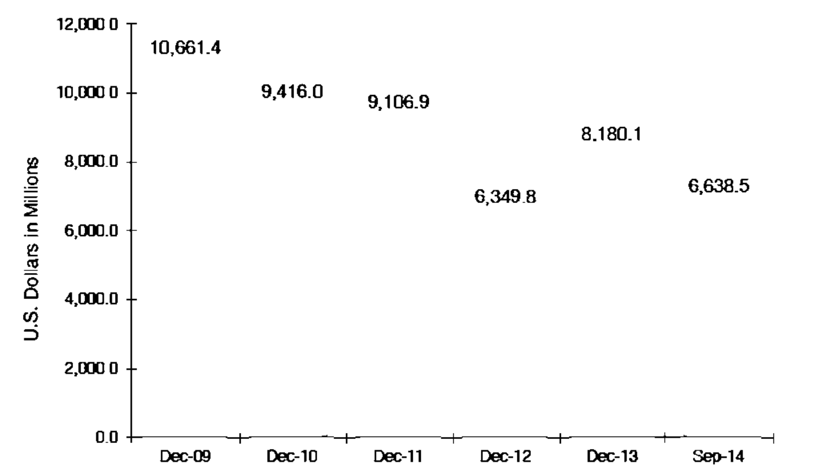
- Deutsche Post's interest-bearing debt decreased from $8.2 billion as of December 31, 2013 to $6.7 billion as of September 30, 2014 primarily due to the repayment of a bond that reached maturity in January 2014. The company's debt repayment was primarily financed through balance sheet cash and cash flow from operations.

Cash and Cash Equivalents Balance



Source: Deutsche Post AG Annual & Interim Reports

Interest-Bearing Debt

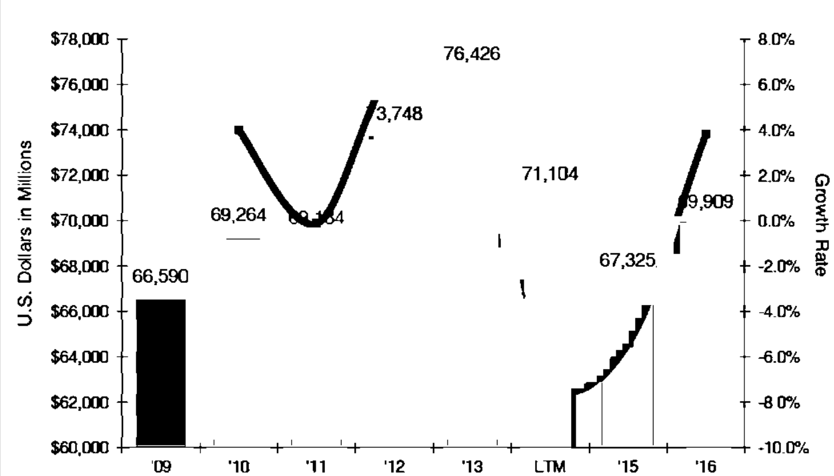


Source: Deutsche Post AG Annual & Interim Reports

Income Statement Analysis

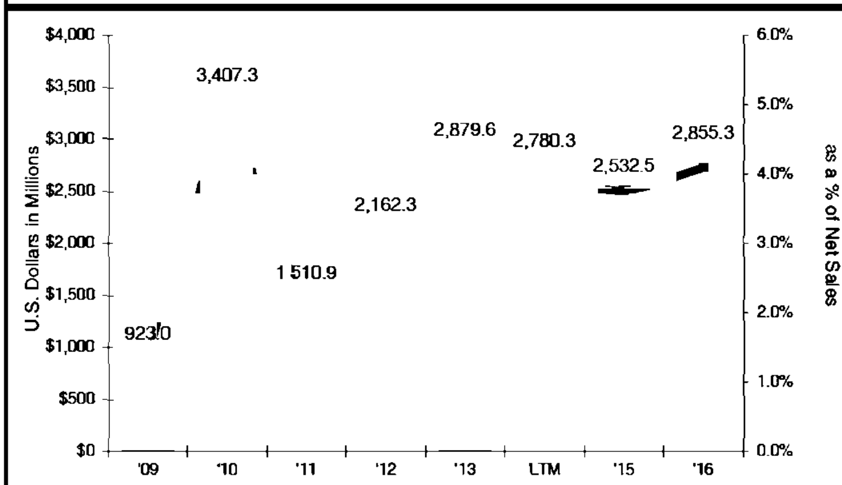
- Net sales increased 3.6% from $73.7 billion in fiscal 2012 to $76.4 billion in fiscal 2013, primarily due to growth in the Mail and Express divisions.
- Net sales decreased by 7.0% in the twelve-month ("LTM") period ended September 30, 2014 as a result of negative currency effects and adverse changes in the company's business mix.
- Revenue is estimated to decrease in fiscal 2015 and 2016 as the economic recovery in the Eurozone stalls.
- Deutsche Post's net income has increased over the last three fiscal years consistent with strict cost management, increased focus on maximizing productivity, and improved profitability in the Mail and Express divisions. In the LTM period ended September 30, 2014, net income decreased slightly to $2.8 billion as a result of decreased revenue. Net income as a percentage of revenue increased from 3.8% in fiscal 2013 to 3.9% in the LTM period.
- Analysts estimate that net income will remain at a relatively stable percentage of revenue over the next two years.

Net Sales



Source: Deutsche Post AG Annual & Interim Reports

Net Income

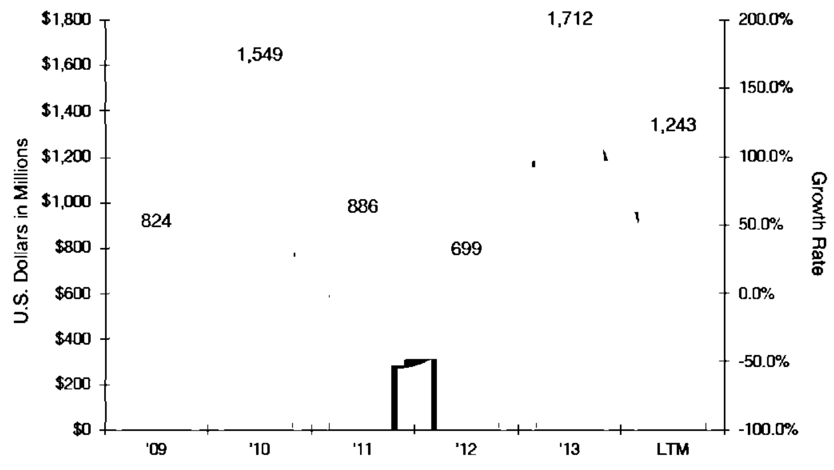


Source: Deutsche Post AG Annual & Interim Reports

Cash Flow Analysis

- Deutsche Post's unlevered free cash flow increased from $699 million in fiscal 2012 to $1.7 billion in fiscal 2013, due primarily to increased earnings and decreases in working capital. Unlevered free cash flow decreased to $1.2 billion in the LTM period primarily as a result of lower earnings.

Unlevered Free Cash Flow



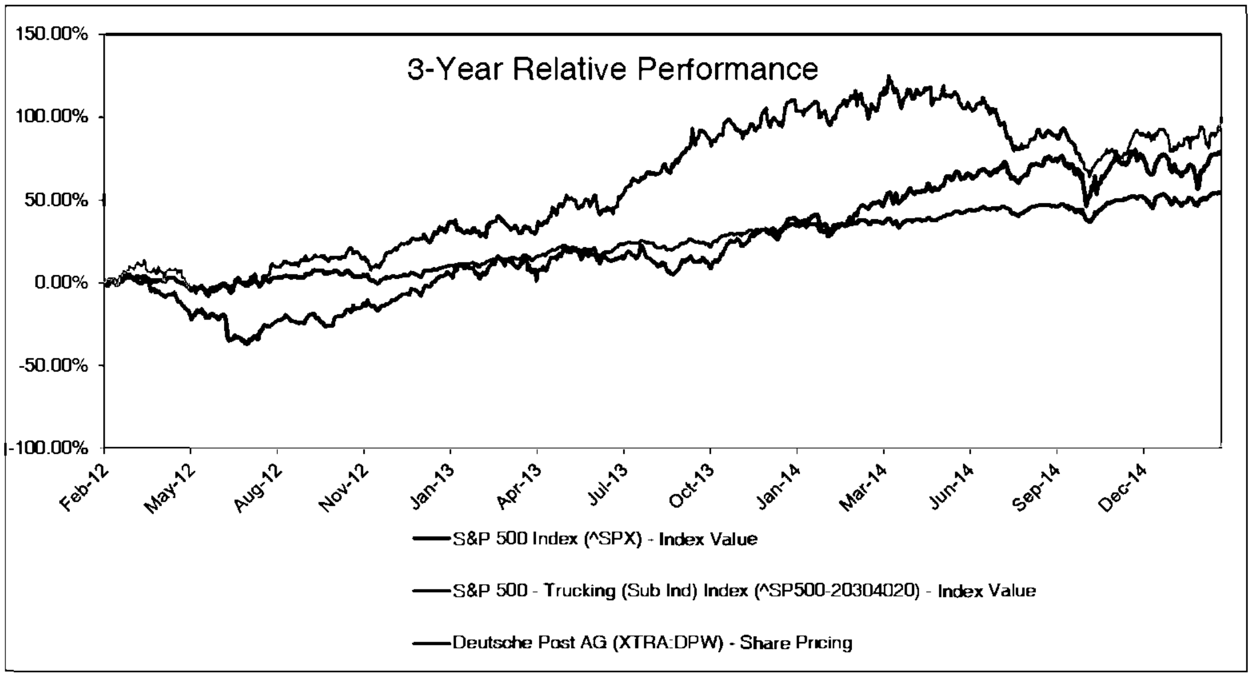
Source: Deutsche Post AG Annual & Interim Reports

Credit Analysis

- According to Capital IQ, Deutsche Post's Z-Score as of September 30, 2014 was 2.7. Based on Deutsche Post's Z-Score, Deutsche Post has a low probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- Deutsche Post's stock price performance generally outperformed the S&P 500 and the S&P Trucking Index over the three-year period ended February 23, 2015. The recent performance of Deutsche Post can be attributed to continued revenue and net income growth and improving economic conditions.
- During the three-year period ended February 23, 2015, Deutsche Post's stock price has increased 95.5%, from $17.37 on February 23, 2012 to $33.96 on February 23, 2015.



Equity Research Analyst Reports

1) **S&P Capital IQ – February 14, 2015**

- *The international express business has solid market positions in Asia-Pacific and North America, but we fear a deceleration in emerging markets and sanctions against Russia will hit trade flows. We see a slowdown in the German economy impacting Post/e-commerce/Parcel's ("PeP") mail volumes, partly mitigated by rising parcel volumes from growth in online sales. The GFF division grew freight forwarding sales in Q3 14, but competition is putting pressure on rates, hitting margins.*
- *We think Deutsche Post's mid-term strategic targets, particularly on the DHL side of the business, seem achievable, given its focus on growth markets (Asia-Pacific, North America) and investment in innovation.*

2) **J.P. Morgan – January 22, 2015**

- *DPW has a market-leading Express franchise in Europe and Asia along with stable profitability from Post/e-commerce/Parcel where Parcel growth and an improved postal pricing regime is mitigating secular mail volume decline. DPW shares are trading in line with our PT and consensus estimates discount relatively robust earnings progress during a period of uncertainty tied to restructuring initiatives. While we still expect upside to consensus for cash returns near-term, expanding pension liabilities lift the risk of cash contributions.*
- *Expanded cash returns thesis intact, but pension payment risk rising. We still see capacity to payout well above the regular dividend guidance range of 40-60% long-term and nearer-term, our FY15 DPS is 8% > consensus (per Bloomberg). That said, the risk of cash pension contributions rises as the liability grows. To date, DPW has consistently indicated a resistance to contributing cash in light of an expected long-term normalization of discount rates (where we see timing risk due to QE).*

3) **RBC Capital Markets – December 4, 2014**

- *2015 is set to be a year of pruning out cost and outdated systems. We see 2015 as a year without much EPS growth - with likely high (mostly non repeating) opex investment cost in Supply Chain, Forwarding, and to a lesser extent in capacity expansion in Express all of which should help mobilize profit growth in later periods. In addition Mail/PeP is likely to carry the risk of strike action as the labor agreement expires in May – against the backdrop of a more militant German labor environment.*

SuperValu, Inc.

Company Overview

- SuperValu is one of the largest wholesale distributors to independent retail customers across the United States. The company operates in three segments: (1) retail food which accounts for 27% of revenue, (2) Save-A-Lot which accounts for 25%, and (3) independent business which accounts for 48%. The company was founded in 1871 and is headquartered in Eden Prairie, Minnesota. SuperValu had approximately 35,800 employees as of February 22, 2014.
- Save-A-Lot, Supervalu's discount grocery chain consists of approximately 1,330 owned and licensed stores and is one of the nation's largest discount grocery retailers by store count. SuperValu's retail food segment consists of 190 retail food stores under five regionally-based traditional grocery banners.
- SuperValu leverages its distribution operations by providing wholesale distribution and logistics service solutions to its independent retail customer through its independent business segment. The independent business segment serves approximately 2,240 stores across the country.
- In fiscal year 2006, SuperValu acquired New Albertson's, Inc. ("NAI") for approximately $15.8 billion. The purchase price included cash, stock, and the assumption of debt. This strategic acquisition increased SuperValu's geographical footprint within the supermarket industry.
- On January 10, 2013, the company, AB Acquisition LLC ("AB Acquisition") an affiliate of a Cerberus Capital Management, L.P. - led consortium, and NAI, a then wholly owned subsidiary of SuperValu, entered into a Stock Purchase Agreement providing for a sale of NAI stock by SuperValu to AB Acquisition which included the stores operating under the Acme, Albertsons, Jewel-Osco, Shaw's and Star Market banners and related Osco and Sav-on in-store pharmacies. The company completed the sale of NAI on March 21, 2013. Results of operations of NAI are reported as discontinued operations for all periods presented.
- SuperValu accounted for approximately 1.4% of the pension contributions to the Plan in fiscal 2014. Based on information provided by the Plan, SuperValu currently has an unfunded withdrawal liability of over $419 million compared to an estimated market capitalization of approximately $2.6 billion.

Financial Statement Analysis

Balance Sheet Analysis

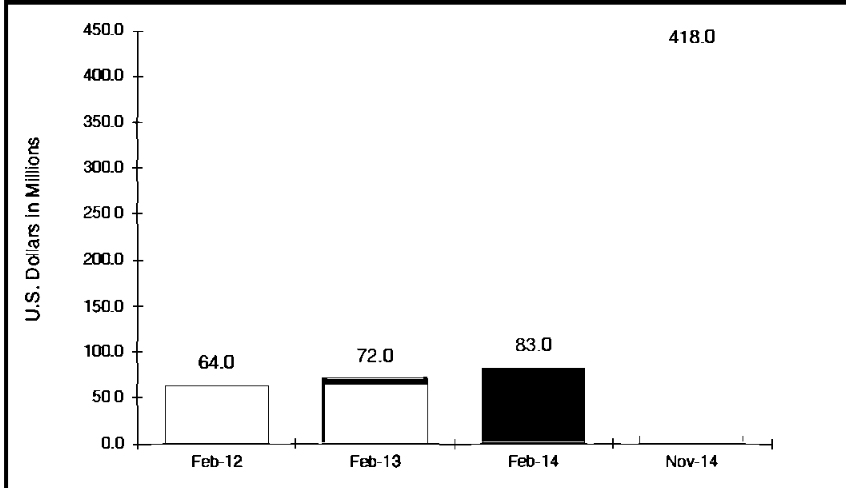
Cash and Cash Equivalents

- SuperValu's cash and equivalents balance increased materially from $83.0 million as of February 22, 2014 to $418.0 million as of November 29, 2014, primarily as a result of the issuance of $350 million in senior notes in the quarter ended November 29, 2014.

Interest-Bearing Debt

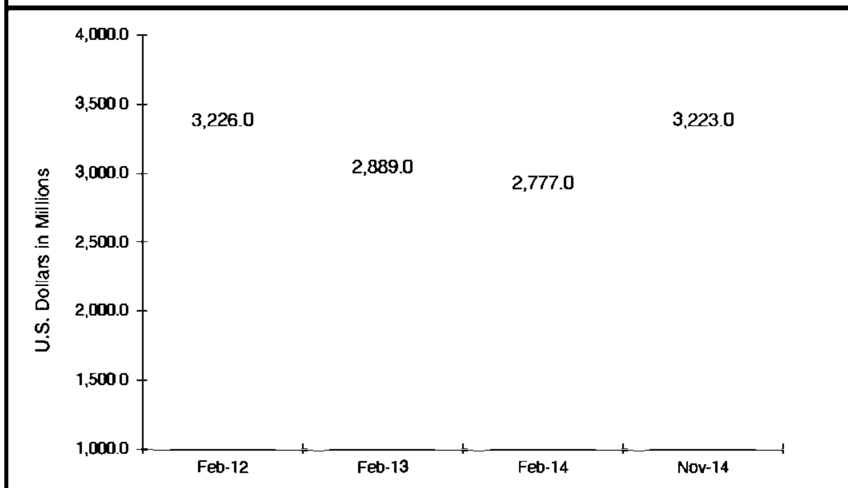
- SuperValu's interest-bearing debt increased from $2.8 billion as of February 22, 2014 to $3.2 billion as of November 29, 2014, primarily as a result of a senior debt issuance to refinance existing indebtedness and repay accrued interest.

Cash and Cash Equivalents Balance



Source: SuperValu 10-Ks and 10-Qs

Interest-Bearing Debt

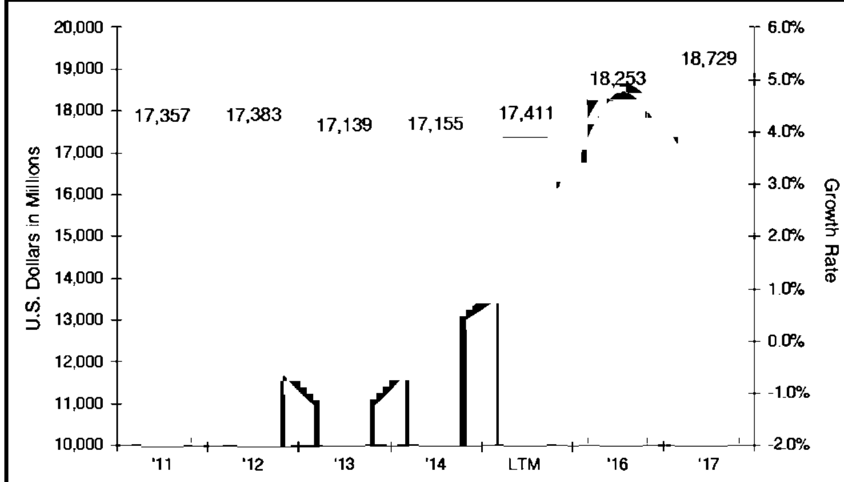


Source: SuperValu 10-Ks and 10-Qs

Income Statement Analysis

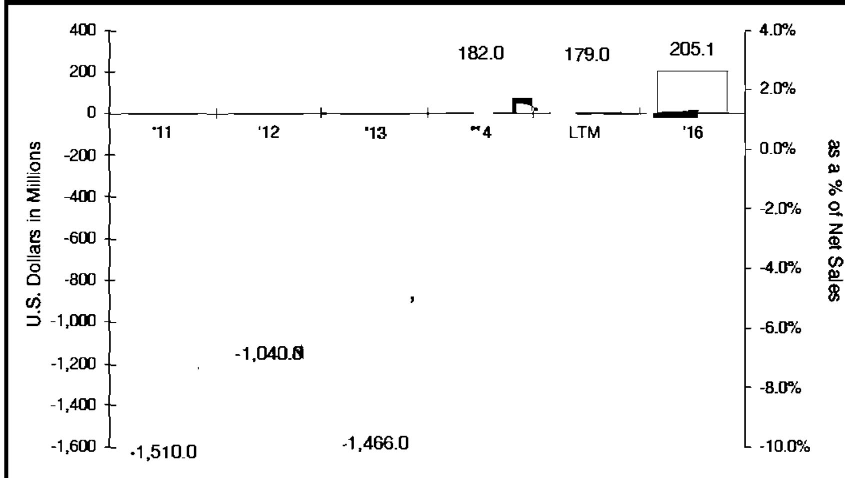
- Net sales in fiscal year 2011 through the LTM period do not reflect revenue associated with NAI, which was sold in fiscal 2013.
- Net sales increased 0.1% in fiscal 2014 as a result of an increased number of stores and distribution centers supported under a Transition Services Agreement with NAI, which was partially offset by customer attrition in the independent business segment and a decrease in same store sales in the retail food segment.
- Net sales increased by 1.5% to $17.4 billion in the LTM period ended November 29, 2014. This increase in sales reflects increases in number of stores and same store sales growth at both Save-A-Lot and the retail food segment, which were partially offset by a decrease in sales from the independent business segment.
- SuperValu's net income increased significantly in fiscal 2014 from a net loss of $1.5 billion in fiscal 2013 to a positive net income of $182.0 million in fiscal 2014. This increase in net income is attributable to cost reduction initiatives and incremental Transition Services Agreement fees earned related to administrative support of divested NAI operations. Net income decreased slightly to $179.0 million in the LTM period.
- Consensus analyst estimates expect revenue to increase over the next two years. Net income is projected to remain relatively stable in fiscal year 2016.

Net Sales



Source: SuperValu 10-Ks and 10-Qs

Net Income



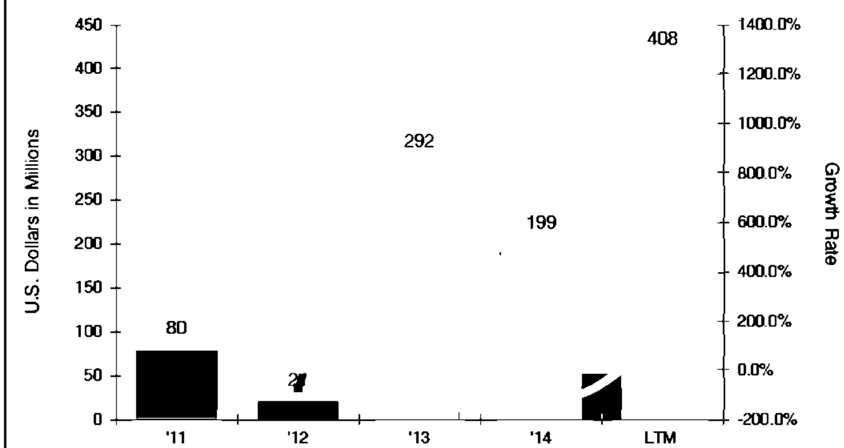
Source: SuperValu 10-Ks and 10-Qs

V. Employers' Financial Analysis

Cash Flow Analysis

- SuperValu's unlevered free cash flow increased from $199 million in fiscal year 2014 to $408 million in the LTM period, due primarily to an increase in accounts payable in the LTM period following above normal working capital investment in fiscal 2014.

Unlevered Free Cash Flow



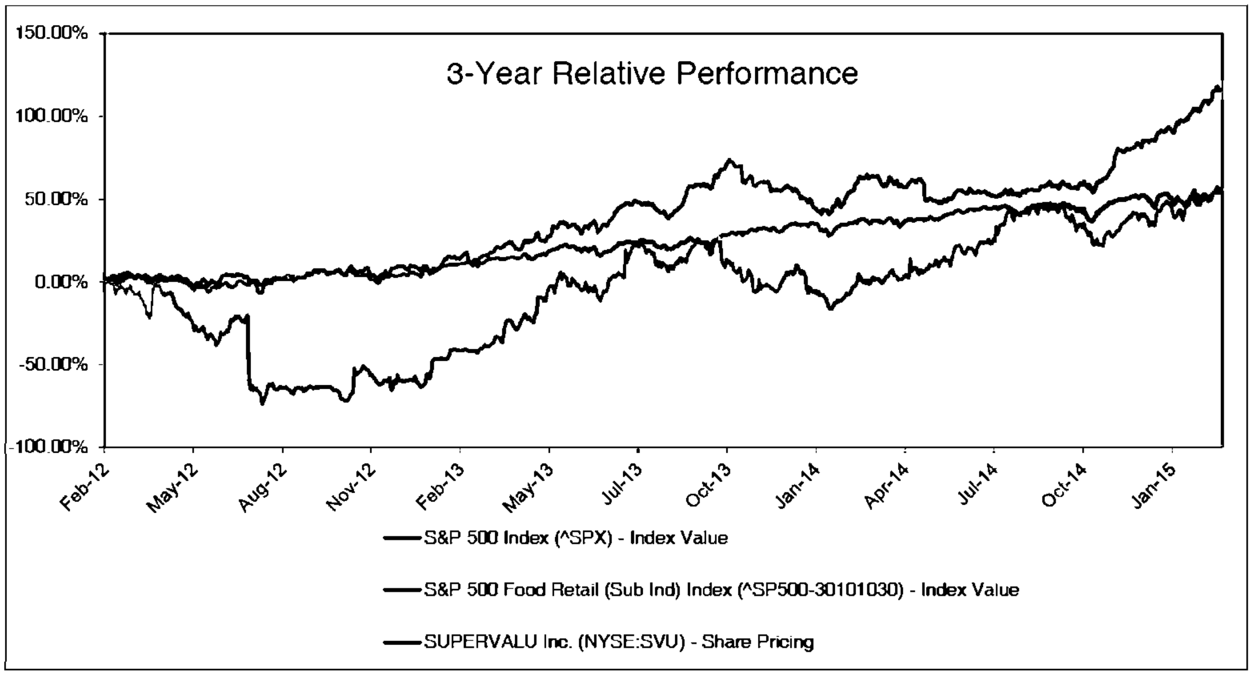
Source: SuperValu 10-Ks and 10-Qs

Credit Analysis

- According to credit ratings published by S&P, SuperValu possesses a credit rating of B+. This rating indicates that SuperValu is more vulnerable than the companies rated 'BB', but the company currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the company's capacity or willingness to meet its financial commitments.
- According to Capital IQ, SuperValu's Z-Score as of November 29, 2014 was 3.2. Based on SuperValu's Z-Score, SuperValu has a low probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- SuperValu's stock price underperformed the S&P 500 and the S&P Food Retail Index for the majority of the three-year period ended February 23, 2015 due to a highly levered balance sheet as well as a highly competitive operating environment, as large competitors increase their market share. During the three-year period ended February 23, 2015 SuperValu's stock price has increased 55.6%, from $6.62 on February 23, 2012 to $10.30 on February 23, 2015.
- The food retail industry in general has experienced a highly competitive operating environment with intense pricing competition and increased consolidation. However, an improving economic environment is expected to support margin expansion in the coming year for companies that operate in the food retail sector.
- The S&P 500 Food Retail Index has outperformed the S&P 500 Index for the majority of the three-year period ended February 23, 2015. The S&P Food Retail Index increased 116.2%, while the S&P 500 Index increased 54.8% during this period.



Equity Research Analyst Reports

1) **S&P Capital IQ – February 14, 2015**

- *We expect negative real sales growth in the retail segment and a low single digit comparable-store sales growth in the discount segment (Save-A-Lot). In the independent business, we see the signing of a new agreement with Haggen, a West Coast food retailer, in December 2014 supporting a slight revenue rise in FY 16. We believe a more aggressive pricing strategy will better position the retail and discount segments to grow share in the longer term. As a result of these efforts, we expect EBIT margins to narrow in FY 15 and in FY 16, despite a favorable shift in business mix. We expect interest expense to decline following debt refinancings completed in FY 14.*
- *We believe the divestiture of a significant portion of the retail segment stores provides the company with the opportunity to focus management efforts on achieving sales growth at discount chain Save-A-Lot and stabilizing its distribution and remaining retail segment businesses. However, we think management's operating flexibility will remain constrained by a highly leveraged balance sheet, despite new capital that was provided by the transactions in 2013.*

2) **Northcoast Research – February 12, 2015**

- *We believe that the newly signed Haggen agreement is another strong indicator of the progress Sam Duncan's management team is achieving for Supervalu. With Supervalu set to supply 64 Haggen locations in the Pacific Northwest, we believe that this incremental business offsets the uncertainty surrounding the current Albertsons TSA in light of the Albertsons/Safeway merger that closed in late January. Coupled with several strategic initiatives that have been rolled out in Save-A-Lot stores, we believe that the company is in position to rebuild sales momentum and grow earnings. The focus will be on incremental revenue gains across all three segments partly driven by careful pricing actions; cost control and expense reduction; and a definite management preference to lever Supervalu's operating cost structure.*

3) **Cantor Fitzgerald – January 12, 2015**

- *We think the most relevant read-through is that a significant inflection point has been reached and that Supervalu is much better positioned now for earnings improvement after making front-end loaded price investments earlier in the fiscal year.*
- *Despite the lack of more detailed management commentary around guidance and uncertainty related to the TSA based on the pending merger between Albertson's and Safeway, we are incrementally positive based on the speed of management's turnaround efforts and stronger-than-expected acceleration in sales and earnings growth.*

Kroger Co.

Company Overview

- Kroger is one of the nation's largest grocery retailers, as measured by revenue, operating 2,640 supermarkets and multi-department stores as of February 2014. Of these stores, 1,240 have fuel centers. In addition, Kroger also manufactures and processes food for sale by its supermarkets. Kroger operates several types of stores:
  - combination food and drug stores;
  - multi-department stores;
  - marketplace stores;
  - price-impact warehouse stores;
  - convenience stores;
  - fuel centers;
  - jewelry stores; and
  - food processing plants.
- Kroger employed approximately 375,000 employees as of February 2014, was founded in 1883, and is based in Cincinnati, Ohio.
- On January 28, 2014, Kroger acquired Harris Teeter Supermarkets, Inc. ("Harris Teeter") for approximately $2.4 billion. The merger allows Kroger to expand into the fast-growing southeastern and mid-Atlantic markets and into Washington, D.C. Harris Teeter is included in the fiscal 2014 balance sheet, but because of the timing of the merger closing late in the fiscal year its results of operations were not material to Kroger's consolidated results of operations for fiscal 2014.
- Kroger is responsible for contributing to certain non-contributory defined benefit retirement plans and contributory defined contribution retirement plans for substantially all non-union employees and some union-represented employees as determined by the terms and conditions of collective bargaining agreements. However, Kroger's contribution to the Plan accounts for less than 6.0% of the company's annual pension plan expenses.
- Kroger expects to contribute approximately $225-$250 million to multiemployer pension plans in fiscal 2015, in line with the $228 million contributed to multiemployer pension plans in fiscal 2014. In addition, Kroger expects meaningful increases in expense as a result of increases in multiemployer pension plan contributions over the next several years.
- Kroger accounted for approximately 0.8% of the pension contributions to the Plan in fiscal 2014. Based on information provided by the Plan, Kroger currently has an unfunded withdrawal liability of over $416 million compared to an estimated market capitalization of approximately $34.4 billion.

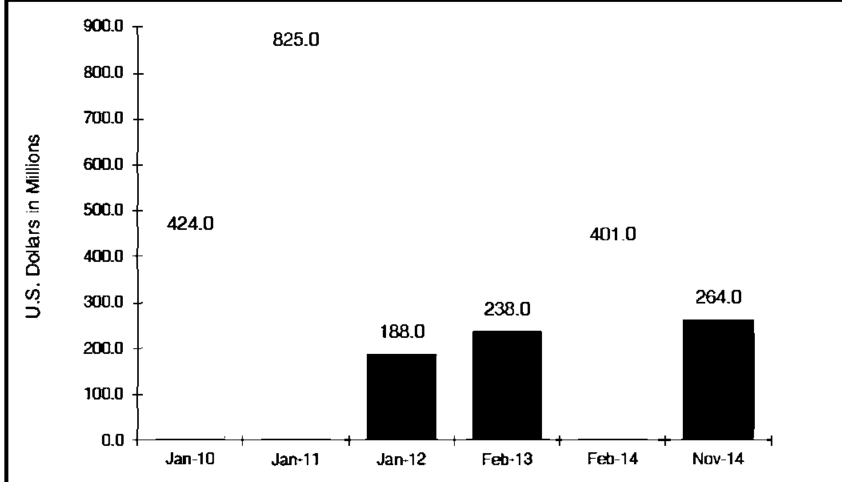
Financial Statement Analysis

Balance Sheet Analysis

Cash and Cash Equivalents

- Cash and cash equivalents decreased from $825.0 million as of January 29, 2011 to $188.0 million as of January 28, 2012 primarily as a result of decreased net earnings due to pension plan consolidation expenses.
- Kroger's cash and cash equivalents balance decreased from $401.0 million as of February 1, 2014 to $264.0 million as of November 8, 2014 due primarily to an increase in cash used in investing activities, particularly acquisitions and capital expenditures.

Cash and Cash Equivalents Balance

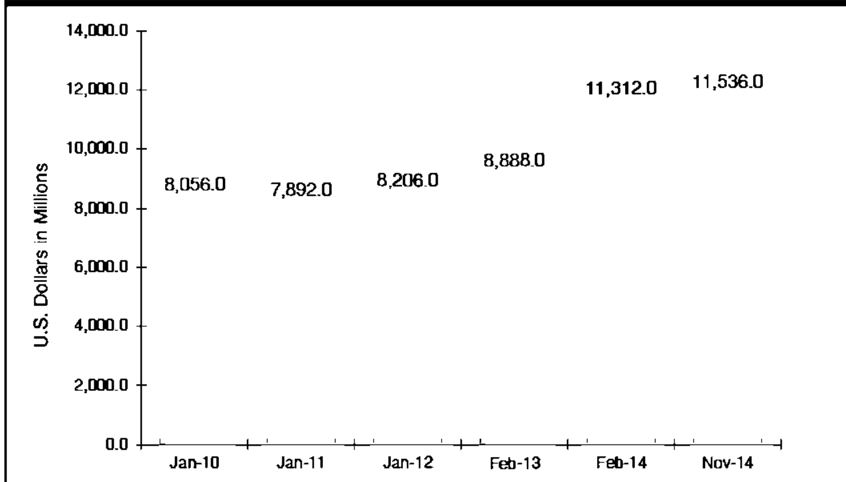


Source: Kroger Co. 10-Ks and 10-Qs

Interest-Bearing Debt

- Kroger's interest-bearing debt balance increased to $11.3 billion as of February 1, 2014 from $8.9 billion as of February 2, 2013 primarily as a result of the issuance of $3.5 billion of long-term debt to finance Kroger's acquisition of Harris Teeter and refinance existing debt.
- As of November 8, 2014, total interest-bearing debt increased slightly to $11.5 billion, due in part to the issuance of senior notes in the third quarter of fiscal 2015.

Interest-Bearing Debt

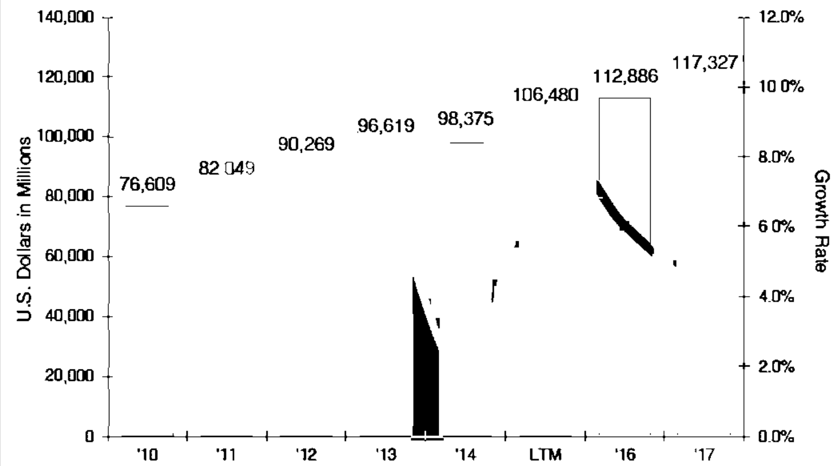


Source: Kroger Co. 10-Ks and 10-Qs

Income Statement Analysis

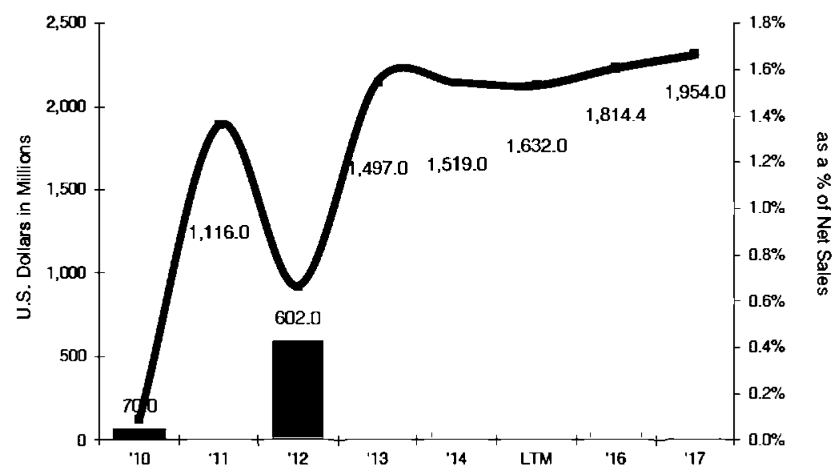
- Over the five-year period ended in fiscal 2014, Kroger's net sales increased at a compounded annual growth rate of 6.4%. The increase in net sales can be attributed to an increase in same store sales growth and retail square footage. In the LTM period ended November 8, 2014, net sales increased from $98.4 billion in fiscal 2014 to $106.5 billion. The increase in net sales in the LTM period can be attributed to the acquisition of Harris Teeter in January 2014, same store sales increases, and increased fuel sales.
- Net income increased from $1.5 billion, or 1.5% of net sales in fiscal 2014 to $1.6 billion, or 1.5% of net sales in the LTM period consistent with the increase in sales.
- Consensus analyst estimates project Kroger's net sales and net income to increase modestly over the next two years with net income growing from 1.5% of net sales in the LTM period to 1.7% of net sales in fiscal 2017. Kroger expects to achieve sales growth through increased square footage, as well as same store sales growth.

Net Sales



Source: Kroger Co. 10-Ks and 10-Qs

Net Income

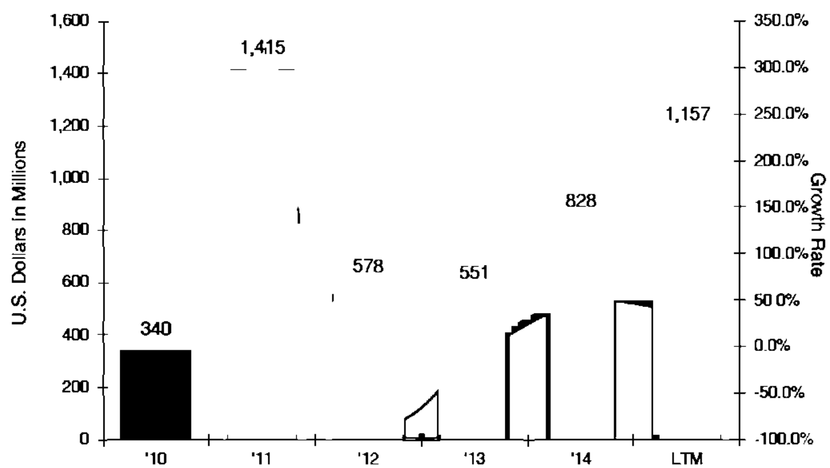


Source: Kroger Co. 10-Ks and 10-Qs

Cash Flow Analysis

- Kroger's unlevered free cash flow increased significantly in fiscal 2011 from $340 million in fiscal year 2010 to $1.4 billion, due primarily to significant growth in net income related to an increase in average retail fuel price combined with an increase in fuel gallons sold. Unlevered free cash flow decreased in fiscal 2012, consistent with a decrease in earnings.
- Unlevered free cash flow increased by $329 million in the LTM period consistent with an improvement in net income and lower investment in working capital, partially mitigated by an increase in capital expenditures.
- It should be noted that Kroger had approximately $11.5 billion in outstanding debt and $903 million of pension and post-retirement liabilities as of November 8, 2014.

Unlevered Free Cash Flow



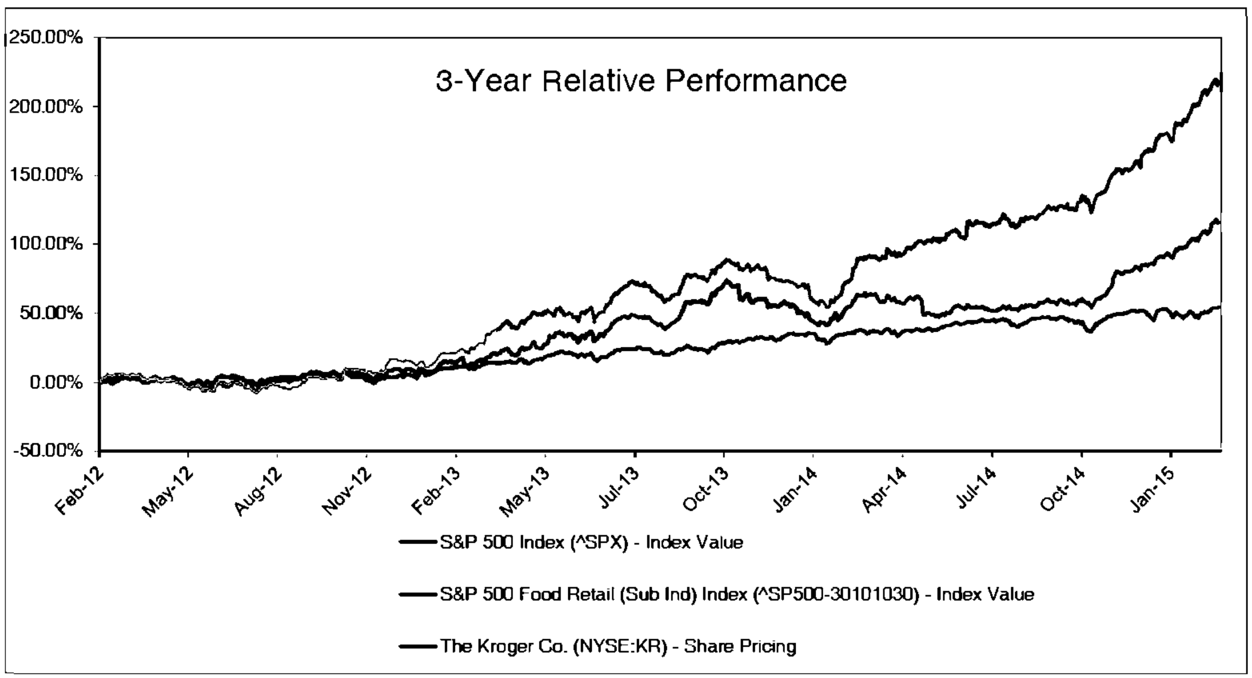
Source: Kroger Co. 10-Ks and 10-Qs

Credit Analysis

- According to credit ratings published by S&P, Kroger possesses a credit rating of BBB. This rating indicates that Kroger has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments.
- According to Capital IQ, Kroger's Z-Score as of November 8, 2014 was 4.6. Based on Kroger's Z-Score, Kroger has an extremely low probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- Kroger's stock has outperformed the S&P 500 and the S&P 500 Food Retail Index for the majority of the three-year period ended February 23, 2015. During the three-year period ended February 23, 2015, Kroger's stock price has increased 218.3%, from $22.98 on February 23, 2012 to $73.14 on February 23, 2015.



Equity Research Analyst Reports

1) **S&P Capital IQ – February 14, 2015**

- *We believe expanded offerings of high-growth specialty product categories, along with a competitive pricing strategy and well-managed promotions, will drive volume growth and store traffic. We believe EBITDA margins will be flat in FY 16, as benefits from increased sales leverage and improved purchasing power are offset by a more aggressive pricing strategy. We see benefits from an improved sales mix, with sales of wider-margin generic drugs expected to accelerate. We also look for cost reductions to be realized in labor, shrinkage and transportation.*
- *We believe the company's acquisition of Harris Teeter Supermarkets in January 2014 will help improve its market share position in southeastern markets. Despite pricing pressure we see in a highly promotional competitive environment, we believe Kroger will be able to support operating margins due to improved purchasing power, the sharing of best practices with HTSI, and an improved product mix with a strong private label offering.*

2) **Morningstar – January 30, 2015**

- *Of the traditional U.S. grocers, Kroger is best positioned to handle competitive pressures from nontraditional grocers, in our view. Switching costs are virtually nonexistent in the grocery industry, and price competition has become even fiercer over the past few years due to expanded food offerings at firms such as Wal-Mart, Target, and Costco.*

3) **Deutsche Bank – January 30, 2015**

- *We view KR as a best-in-class grocer/retailer. The company continues to gain market share, drive positive non-fuel ID's and achieve solid earnings growth, which is the product of KR's many competitive advantages – including its large scale, strong local market share positions, partnership with a premier customer science company, and strong private brands, among others. We expect strong, consistent growth to continue.*
- *We expect KR to continue to focus on driving the productivity loop next year by realizing operating efficiencies/taking out costs and reinvesting the savings into the company's four keys – people, products, prices, and shopping experience. We believe that the productivity gains should begin to outweigh price investments.*
- *KR already has a leading market share position (#1 or #2) in nearly all of its major markets, and we expect management to remain focused on strengthening the company's share in existing markets, as doing so is the key factor in driving higher margins. Where it makes sense, KR will make acquisitions to dense up its market share, but the company will not chase acquisitions just for the sake of growth – the acquired stores must have the right cultural fit – similar cultures are a key factor in determining success – which is why Harris Teeter has proven to be so successful only one-year since closing.*

Roundy's, Inc.

Company Overview

- Roundy's is a leading Midwest supermarket founded in 1872 and headquartered in Milwaukee, Wisconsin. As of September 27, 2014, Roundy's operated 149 grocery stores in Wisconsin and Illinois and 98 pharmacies under the Pick'n Save, Copps, Metro Market, and Mariano's retail banners, which are served by Roundy's two distribution centers and food processing and preparation commissary. As of December 28, 2013, Roundy's had 21,160 employees.
- Roundy's stores offer non-perishable food products, including grocery, frozen, and dairy products; perishable products, such as produce, meat, seafood, deli, bakery, and floral; and non-food products comprising general merchandise, health and beauty care, pharmacy, and alcohol. Its stores sell various products under national brands, as well as under its own brands, including Roundy's Select, Roundy's, and Clear Value. The company also distributes a line of food and non-food products and provides services to an independent licensee retail store in Wisconsin. In fiscal 2013, Roundy's generated 48.0% of net sales from non-perishable foods, 35.3% from perishable foods, and 16.7% from non-food items. The percentage of sales from Roundy's own-brand items in fiscal 2013 was 23.1%.
- During the second quarter of 2014, Roundy's entered into definitive agreements to sell 18 stores, operating under the retail banner "Rainbow", in the Minneapolis / St. Paul market to a group of local grocery retailers, including SuperValu, Inc. The aggregate sale price for the 18 Rainbow stores was $65 million in cash plus the proceeds from inventory that was sold to the buyers on the sale date. The total proceeds received from the sale were $76.9 million. In addition, as part of the transaction, the buyers assumed the lease obligations and certain multi-employer pension liabilities related to the acquired stores. In addition, during the second quarter of 2014, the company announced its intention to exit the Minneapolis / St. Paul market entirely. The remaining nine Rainbow stores not included in the Rainbow Store Sale were closed during the third quarter of 2014.
- As a result of the Rainbow Store Sale and the exit from the Minneapolis / St. Paul market, the company expects to incur a withdrawal liability related to the multi-employer pension plans in which the effected employees participate. The company recorded a charge of $25.8 million during the second quarter of 2014, for the estimated multi-employer pension withdrawal liability related to the 18 Rainbow stores that were sold, which represents the company's best estimate absent demand letters from the multi-employer plans. During the third quarter of 2014, the company determined that the liability was probable and recorded a charge of $23.9 million for the estimated multi-employer pension withdrawal liability related to the remaining nine Rainbow stores that were closed in the third quarter.
- Roundy's accounted for approximately 1.1% of the pension contributions to the Plan in fiscal 2014. Based on information provided by the Plan, Roundy's currently has an unfunded withdrawal liability of over $206 million which is greater than its estimated market capitalization of approximately $206.1 million.

Financial Statement Analysis

Balance Sheet Analysis

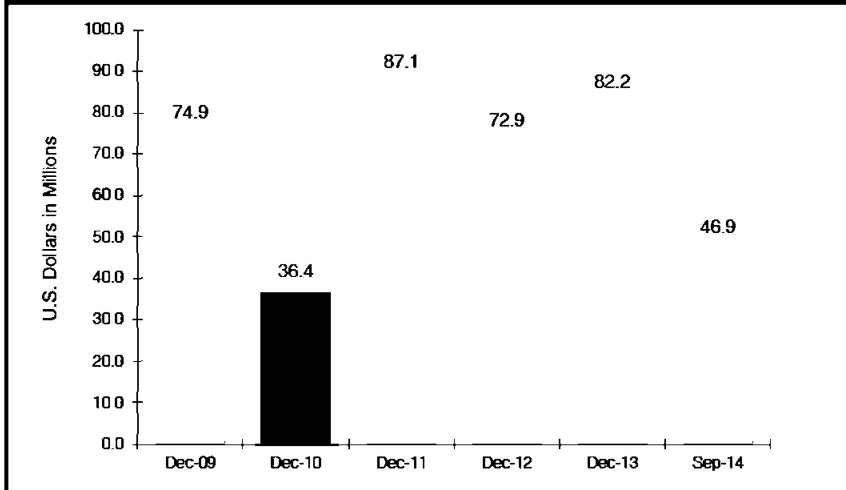
Cash and Cash Equivalents

- Roundy's cash and equivalents balanced decreased from $82.2 million as of December 28, 2013 to $46.9 million as of September 27, 2014 as a result of lower operating income and payments of debt and capital lease obligations.

Interest-Bearing Debt

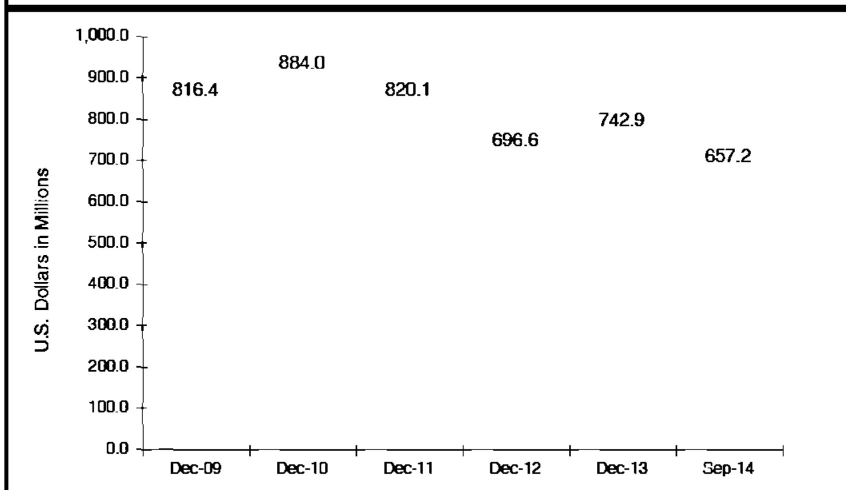
- Roundy's interest-bearing debt decreased from $742.9 million as of December 28, 2013 to $657.2 million as of September 27, 2014 as Roundy's made principal payments on the company's existing term loan.

Cash and Cash Equivalents Balance



Source: Roundy's 10-Ks and 10-Qs

Interest-Bearing Debt

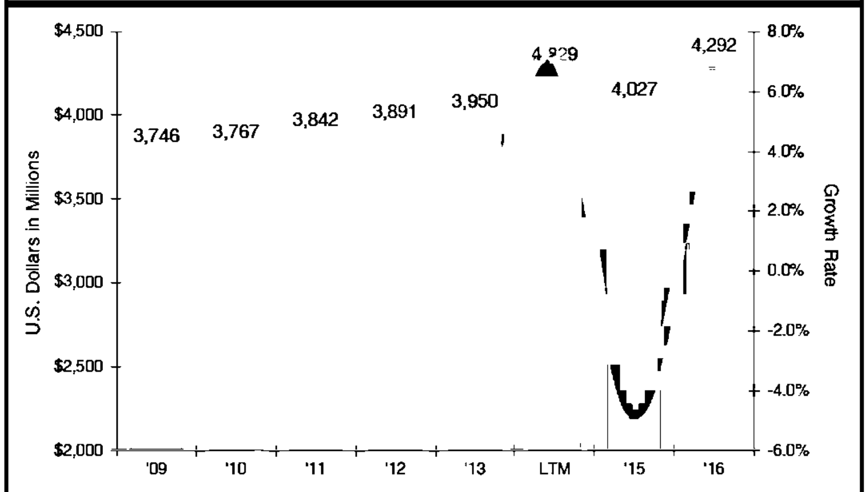


Source: Roundy's 10-Ks and 10-Qs

Income Statement Analysis

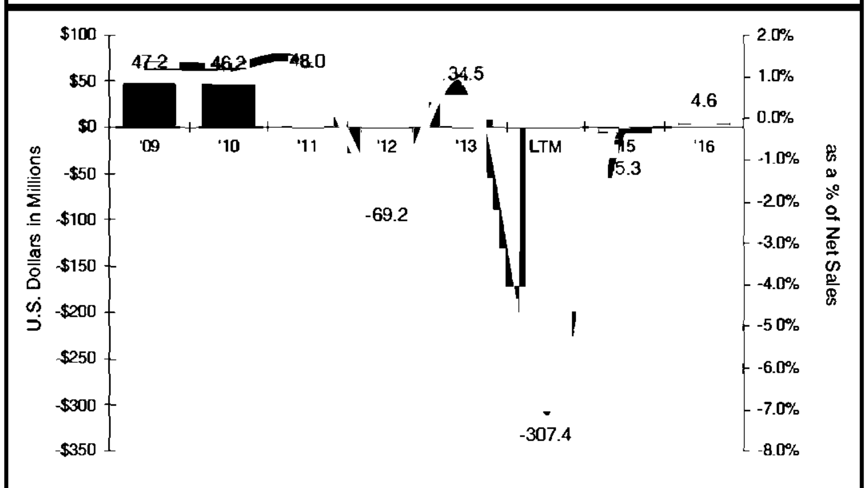
- Net sales increased 7.1%, from $4.0 billion in fiscal 2013 to $4.3 billion in the twelve month period ended September 27, 2014. The increase in net sales primarily reflects the benefit of new and acquired stores, partially offset by a decrease in same-store sales. Same-store sales continue to be negatively impacted by competitive store openings and the weak economic environment in the company's core markets.
- Roundy's net income (loss) decreased from a gain of $34.5 million in fiscal 2013 to a loss of $307.4 million in the LTM period due primarily to a goodwill impairment charge of $280.0 million, increased start-up labor costs, and high occupancy and labor costs in new or acquired Illinois stores relative to the chain average.
- Consensus analyst estimates project Roundy's net sales to increase modestly in fiscal 2016. Analyst estimates project improved profitability in fiscal 2015, with a return to a positive level of net income in fiscal 2016.
  - It is important to note that we presented the company's historical net sales as presented in public SEC filings. However, industry analysts have made certain adjustments to net sales to remove the financial impact of discontinued operations. Accordingly, the company's LTM performance may not be entirely comparable to projected analyst estimates.

Net Sales



Source: Roundy's 10-Ks and 10-Qs

Net Income

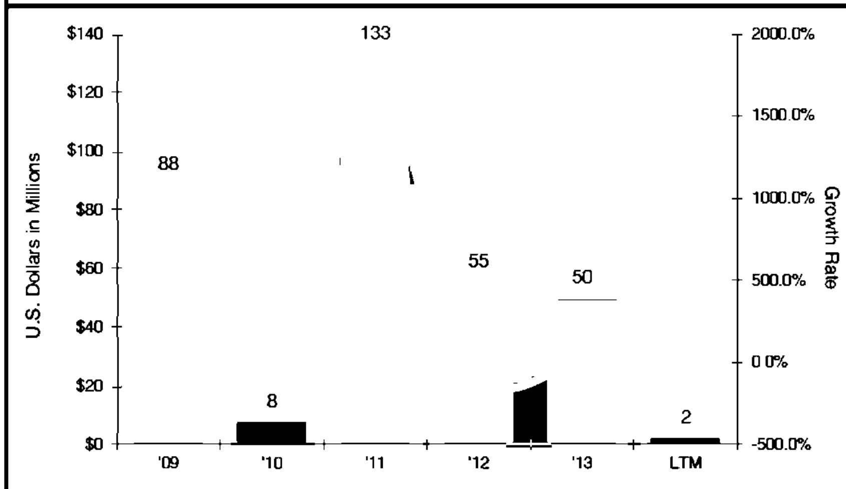


Source: Roundy's 10-Ks and 10-Qs

Cash Flow Analysis

- Roundy's unlevered free cash flow increased by $125.2 million in fiscal 2011 from the prior year due primarily to working capital inflows. Unlevered free cash flow decreased in fiscal 2012 and fiscal 2013 primarily as a result of reduced cash flow generated from operating activities.
- In the LTM period, unlevered free cash flow decreased to $2.1 million as cash provided by operating activities decreased due to lower operating income and higher interest payments.

Unlevered Free Cash Flow



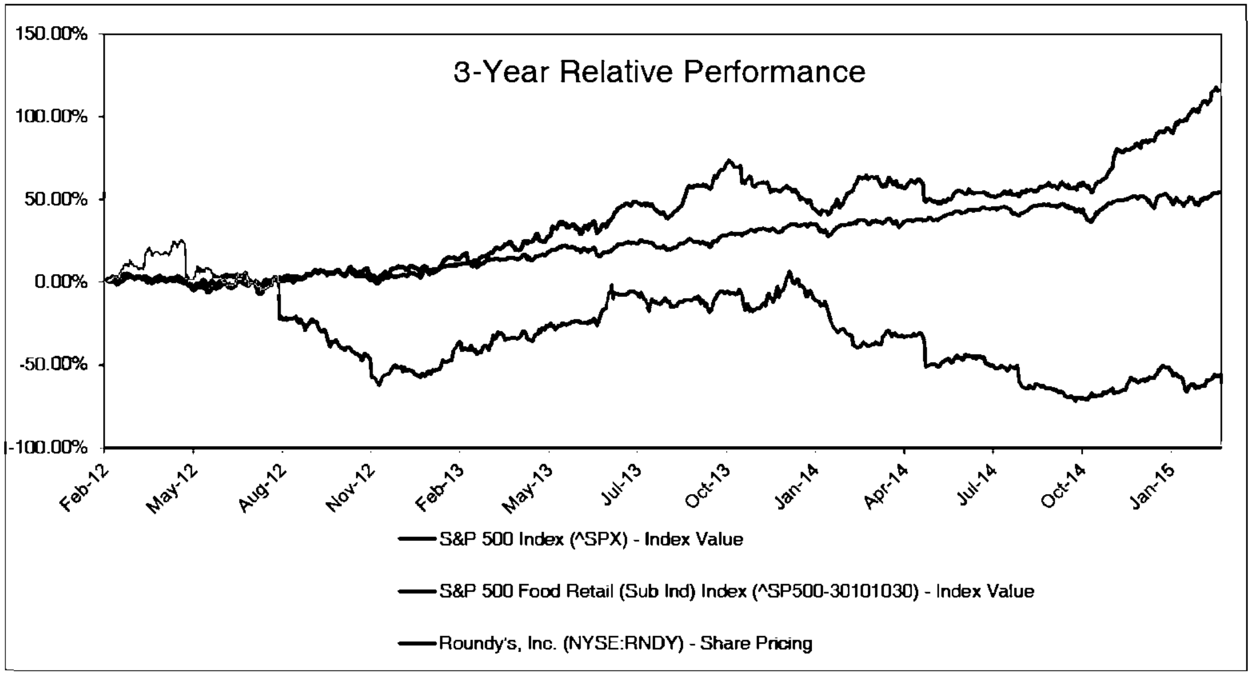
Source: Roundy's 10-Ks and 10-Qs

Credit Analysis

- According to Capital IQ, Roundy's Z-Score as of September 27, 2014 was 4.1. Based on Roundy's Z-Score, Roundy's has a very low probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- Roundy's stock price was below that of the S&P 500 and the S&P 500 Food Retail Index over the three-year period ended February 23, 2015. During the three-year period ended February 23, 2015, Roundy's stock price has declined 57.6%, from $9.91 on February 23, 2012 to $4.20 on February 23, 2015. The recent performance of Roundy's can be attributed to increasing competition in Roundy's core markets.



Equity Research Analyst Reports

1) **J.P. Morgan – January 16, 2015**

   - *We think Roundy's Mariano's banner will face increased competitive pressure in Chicago this year. RNDY plans to open five Mariano's stores in 2015, but it is not alone: Whole Foods (9 possible openings) and Fresh Thyme (3 planned) also are adding locations. Over the long run, as the Chicago-based Mariano's banner grows, RNDY has an opportunity to accelerate its ID growth. But this is a story only for investors with the longest of horizons, in our view, and in the meantime trends in core Wisconsin markets have been volatile, at best.*

2) **Jefferies – January 16, 2015**

   - *After the close, Roundy's issued disappointing 2015 guidance of $115-125M Adj. EBITDA vs. our estimate of $130M. While no color was provided, we suspect the shortfall relates to the company's core Wisconsin business, an area that has given us concern for some time now due to an onslaught of competitor openings. We expect 13 competitive openings in 2015 (majority coming in 2H15), up from 7 in 2014. Of the 13, 5 are supercenters (including 4 Meijers). Because of the fact that the core Wisconsin market is still digesting overcapacity, we are concerned that comp and EBITDA declines in the core could persist as it is our understanding that Meijer has 8 additional new stores planned over the next 3 years.*

3) **Deutsche Bank – January 15, 2015**

   - *While management does not break out EBITDA between the core conventional grocery business and the higher-end Mariano's banner, we believe that the Core remains under significant competitive pressure, as discounters continue to expand in key markets such as Milwaukee – these headwinds will persist in 2015. In addition, we believe the contribution from the 16 new Mariano's stores may be less-than-expected and may be making the company more cautious in providing guidance for FY15. The rapid growth of Whole Foods in the Chicago market may be a competitive headwind for Mariano's as well.*

SpartanNash Company

Company Overview

- SpartanNash is the largest food distributor serving military commissaries and exchanges in the United States, in terms of revenue, and a leading food distributor and grocery retailer, operating principally in the Midwest. The company's core businesses include distributing food to military commissaries and exchanges and independent and corporate-owned retail stores located in 44 states and D.C., Europe, Cuba, Puerto Rico, the Azores, Bahrain, and Egypt. SpartanNash operates three reportable business segments: military, food distribution, and retail. The company was founded in 1917 and is headquartered in Grand Rapids, Michigan.
- SpartanNash's military segment sells and distributes grocery products primarily to U.S. military commissaries and exchanges. SpartanNash's food distribution segment uses a multi-platform sales approach to distribute nationally branded and private label grocery products and perishable food products, including dry groceries, produce, dairy products, meat, deli, bakery, frozen food, seafood, floral products, general merchandise, pharmacy and health and beauty care, to independent and corporate owned grocery retailers. The retail segment operates 165 retail supermarkets in the Midwest and Great Lakes. SpartanNash offers pharmacy services in 79 of their supermarkets and operates 30 fuel centers.
- For the 39 week period ended December 28, 2013, the military segment accounted for 9.6% of net sales, the retail segment for 42.2%, and food distribution for 48.2%.
- On November 19, 2013, Spartan Stores, Inc. completed a merger with Nash-Finch Company ("Nash-Finch"), a food distribution company serving military commissaries and exchanges and independent grocery retailers as well as an operator of retail grocery stores. Following the merger, Spartan Stores Inc. formally changed its name to SpartanNash Company. In connection with the merger, the Board of Directors of SpartanNash determined to change the company's fiscal year end from the last Saturday in March to the Saturday nearest to December 31, beginning with the transition period ended December 28, 2013.
- SpartanNash's contribution to the Plan accounts for approximately 2.2% of the Central States Pension Plan's annual employer contribution. Based on information provided by the Plan, SpartanNash currently has an unfunded withdrawal liability of over $423 million compared to an estimated market capitalization of approximately $1.0 billion.

Financial Statement Analysis

Balance Sheet Analysis

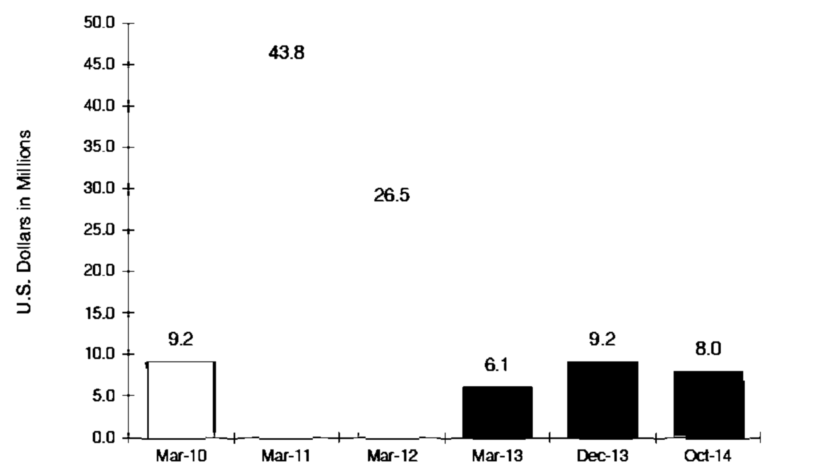
Cash and Cash Equivalents

- SpartanNash's cash and cash equivalents balance increased to $43.8 million as of March 26, 2011 from $9.2 million as of March 27, 2010 consistent with positive cash flow from operations and a lower than normal level of capital expenditures. Cash and cash equivalents decreased as of March 31, 2012 and decreased further as of March 31, 2013 primarily as a result of increased debt repayments in fiscal 2012 and decreased cash flow from operating activities in fiscal 2013.

Interest-Bearing Debt

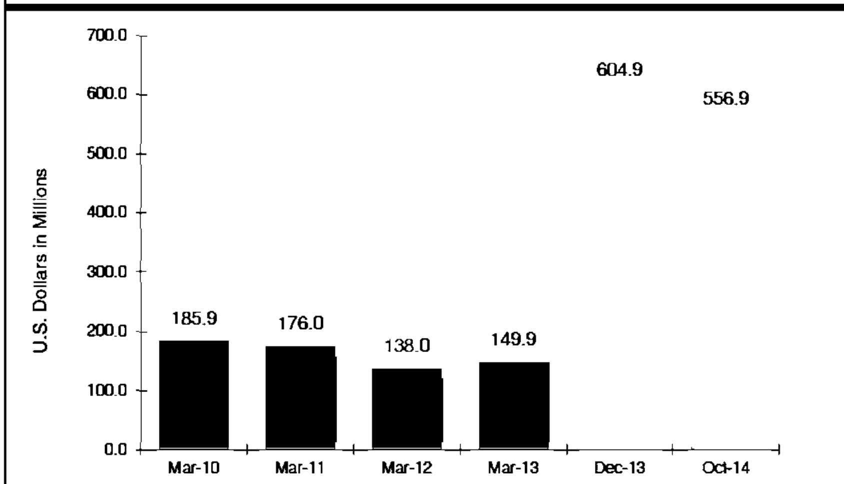
- SpartanNash's interest-bearing debt increased from $149.9 million as of March 30, 2013 to $604.9 million as of December 28, 2013 as the company secured new loans and credit facilities to finance its acquisition of Nash-Finch. Interest-bearing debt decreased as of October 4, 2014 to $556.9 million as SpartanNash made repayments on its long-term debt and capital lease obligations.

Cash and Cash Equivalents Balance



Source: SpartanNash 10-Ks and 10-Qs

Interest-Bearing Debt

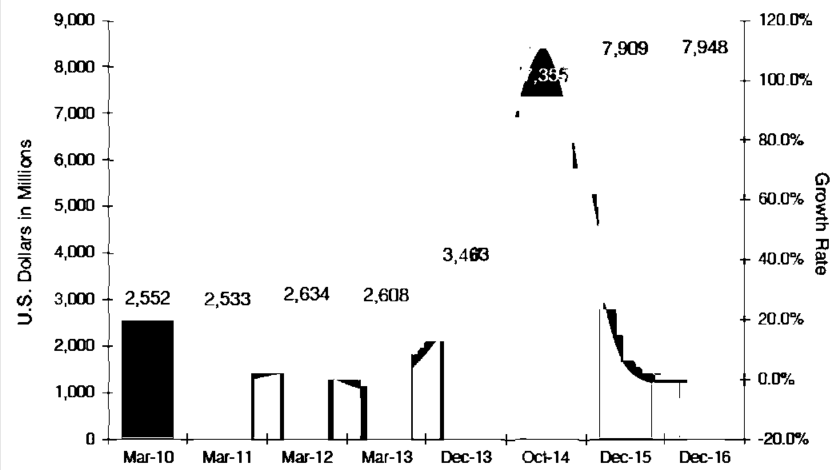


Source: SpartanNash 10-Ks and 10-Qs

Income Statement Analysis

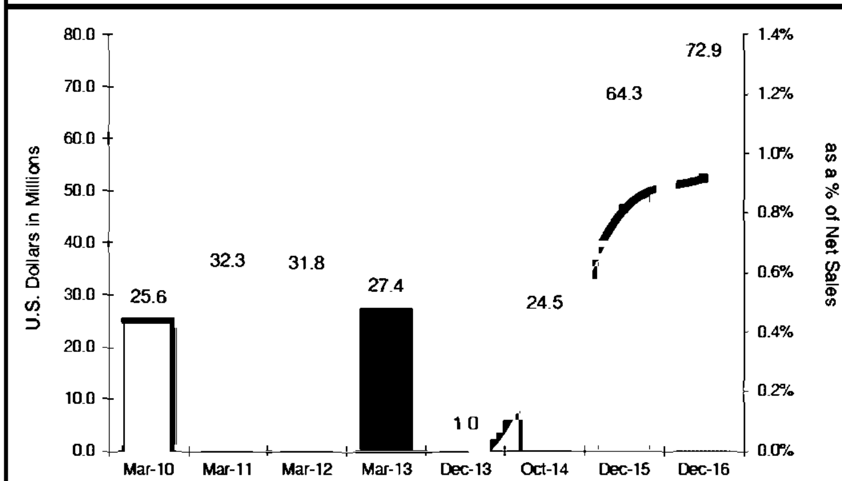
- Net sales increased 112.4% from $3.5 billion during the annualized nine-month period ended December 28, 2013 to $7.4 billion during the twelve-month period ended October 4, 2014. The significant growth in net sales is primarily attributable to the acquisition of Nash-Finch in November 2013.
- Net income decreased from $27.4 million, or 1.1% of net sales in fiscal 2013, to $1.0 million, or less than 0.1% of net sales in the annualized nine-month period ended December 28, 2013. The decrease in net income can be primarily attributed to merger transaction and integration expenses related to the Nash-Finch merger.
- Net income increased to $24.5 million in the LTM period ended October 4, 2014 primarily due to increased net sales, which was partially offset by a gross profit margin decrease resulting from a change in sales mix in connection with the merger, merger transaction and integration expenses, the impact of higher LIFO expense, and lower store inflation.
- Consensus analyst estimates expect SpartanNash to have relatively stable revenue growth and significant net income growth in fiscal 2015 and fiscal 2016.

Net Sales



Source: SpartanNash 10-Ks and 10-Qs

Net Income

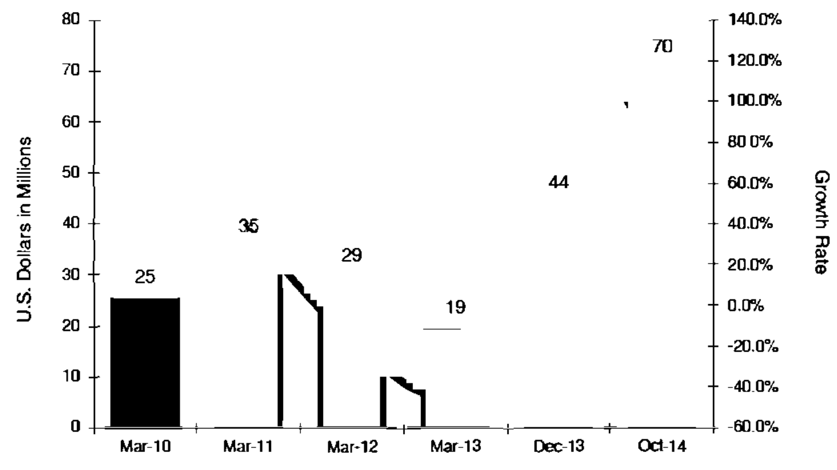


Source: SpartanNash 10-Ks and 10-Qs

Cash Flow Analysis

- SpartanNash's unlevered free cash flow increased from $43.8 million in the annualized nine-month period ended December 28, 2013 to $70.4 million in the LTM period ended October 4, 2014, due primarily to increased cash flow generated from operating activities resulting from the Nash-Finch merger.

Unlevered Free Cash Flow



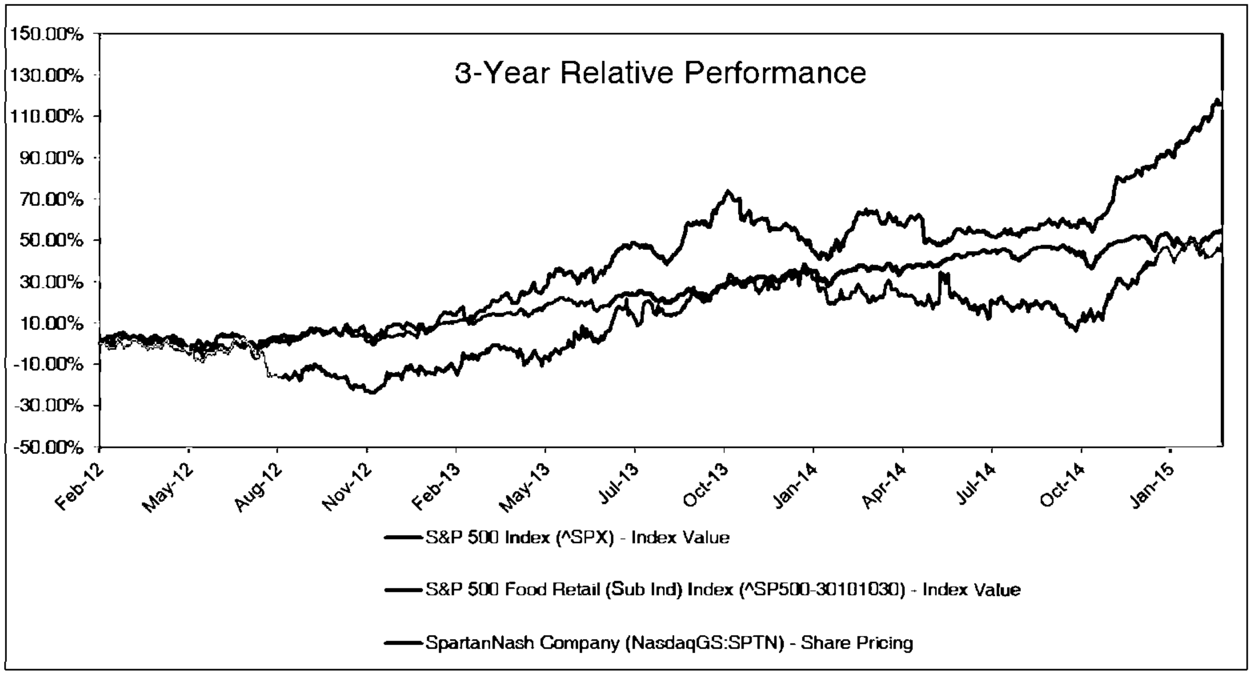
Source: SpartanNash 10-Ks and 10-Qs

Credit Analysis

- According to Capital IQ, SpartanNash's Z-Score as of October 4, 2014 was 2.7. Based on SpartanNash's Z-Score, SpartanNash has a low probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- SpartanNash's stock price has underperformed the S&P 500 and the S&P 500 Food Retail Index for the majority of the three-year period ended February 23, 2015. During the three-year period ended February 23, 2015, Spartan's stock price has increased 48.6%, from $18.10 on February 23, 2012 to $26.90 on February 23, 2015.



Equity Research Analyst Reports

1) **Jefferies – December 15, 2014**

   - *The company remains ahead of plan on Nash Finch merger synergies and management is looking ahead towards using this new platform for bolt-on acquisitions. Growth into alternative channels could also be coming in Distribution and Military. We like the post-merger platform, but only see 3-5% long-term EPS beyond the synergy driven 10-12% growth through 2016.*
   - *As we see only 2-3% earnings growth in Food Distribution (52% of earnings), possible declines in Military (15% of earnings) and 2-3% growth in Grocery Retail (33% of earnings), the company will need some acquisition activity or organic growth into alternative channels to counter an otherwise slow growth outlook.*
   - *Management sees opportunity in Food Distribution for further sales to dollar stores, drug stores and other retailers who require multi-temperature service. Military could also expand beyond commissary sales into base exchanges and troop feeding. With Dollar General as its largest customer, we note that if DG should win the bidding contest for Family Dollar, this could be a $400M opportunity, but SPTN would have to unseat current distributor McLane.*

2) **Northcoast Research – November 12, 2014**

   - *Spartan's historical reliance on Michigan for the bulk of its sales tied it to that state's economic recovery; that is now underway. Further, faster than anticipated progress in assimilating Nash Finch and Spartan Stores is creating operating cost efficiencies sooner than management expected. We see much opportunity for Spartan to further realize economies of scale from a Michigan business that had been generating about $2.6 billion in annual sales to a multi-regional, Food Marketing company that will approach $8 billion in 2014 revenues and exceed that level next year, according to our financial projections. Profit growth will come from not only the operating efficiencies of the combined entities, but Spartan management's retailing expertise brought to bear on Nash Finch's historically underperforming retail locations.*

3) **Cantor Fitzgerald – November 6, 2014**

   - *We are encouraged by the performance in all three segments YTD. The top-line trends for the distribution segment reflect flat revenue growth (a good performance against a backdrop of declining wholesale industry revenue). Although the military commissary business remains challenging overall, the operational inefficiencies that Nash experienced with several new facilities were mostly addressed prior to the merger.*

Associated Wholesale Grocers, Inc.

Company Overview

- AWG, a retailer-owned cooperative, is engaged in the wholesale distribution of grocery, fresh meat, fresh produce, specialty food, health care, and general merchandise products to retail member stores in the United States. AWG designs merchandising programs and services and provides store services such as store engineering, advertising, education and training, and more. The company serves retail stores throughout the United States in addition to supporting stores in the Caribbean, Central America, South America, and the Middle East. AWG was founded in 1926 and is headquartered in Kansas City, Kansas.
- AWG operated nine distribution centers during the 2014 fiscal year, delivering groceries and related products to 3,406 active retailers throughout the midwestern and southeastern United States. Seven of the nine full-line divisions are dedicated to providing service to AWG cooperative members in 2,662 different locations. Members are required to purchase and hold 15 shares of the company's Class A stock to be supplied on a cooperative basis.
- AWG's other two facilities are operated under the banner Valu Merchandisers Company, a wholly-owned subsidiary, which primarily provides health and beauty care items, general merchandise, and specialty foods, serving cooperative as well as non-member retailers. Additionally, the Company provides products to 191 military commissaries and base exchanges on a non-member basis.
- AWG accounted for approximately 2.2% of pension contributions to the Plan in fiscal 2014. Based on information provided by the Plan, AWG currently has an unfunded withdrawal liability of over $391 million.

Financial Statement Analysis

Balance Sheet Analysis

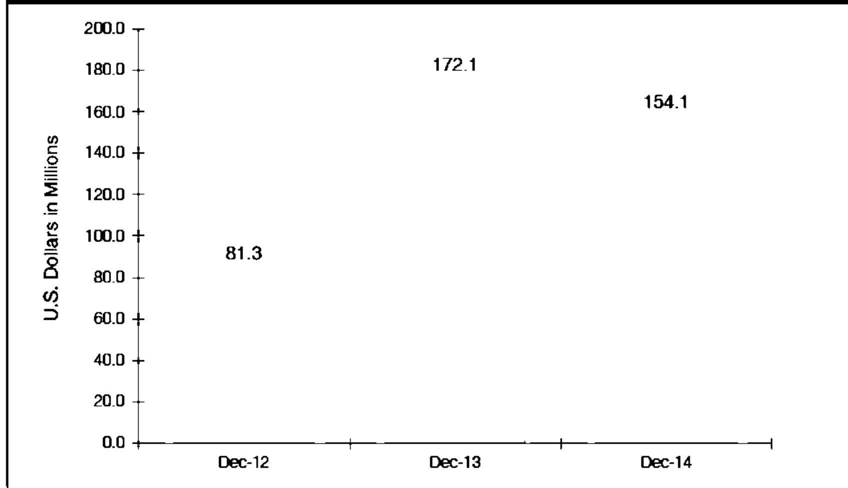
Cash and Cash Equivalents

- AWG's cash and cash equivalents balance decreased from $172.1 million as of December 29, 2013 to $154.1 million as of December 27, 2014 as cash flow from operations was offset by cash used for investments and financing.

Interest-Bearing Debt

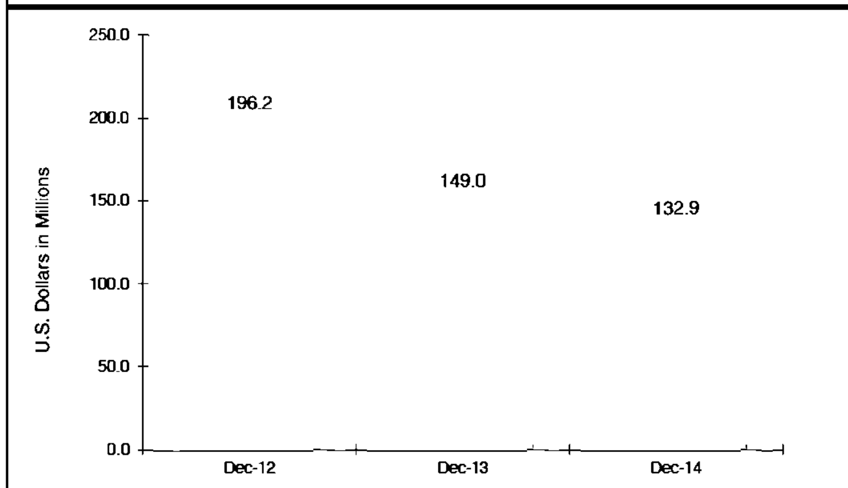
- AWG's interest-bearing debt decreased from $196.2 million as of December 29, 2012 to $149.0 million as of December 29, 2013 as AWG made payments on its revolving lines of credit and a term loan related to a supermarket property. Interest-bearing debt decreased to $132.9 million as of December 27, 2014 as the company continued making long-term debt repayments in fiscal 2014.

Cash and Cash Equivalents Balance



Source: AWG Annual Reports

Interest-Bearing Debt

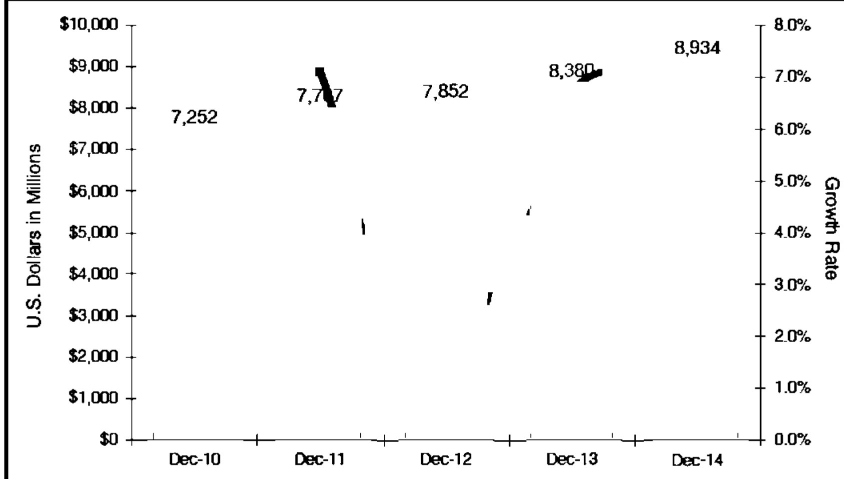


Source: AWG Annual Reports

Income Statement Analysis

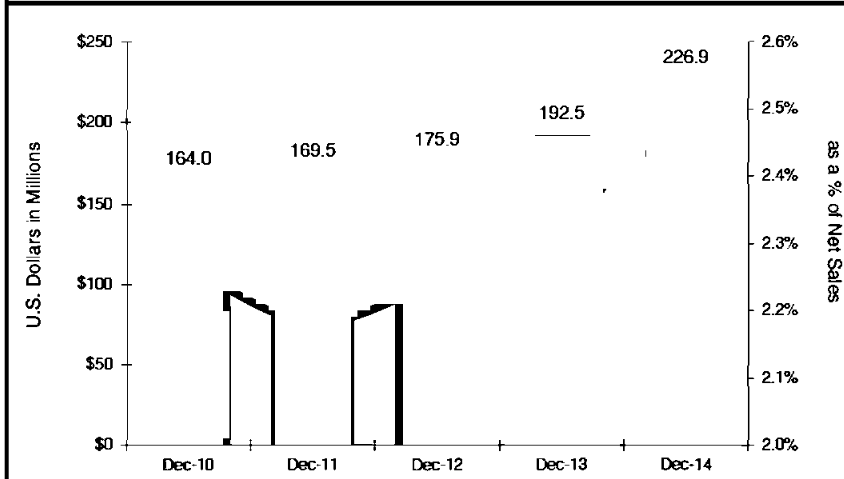
- Net sales increased at an annualized rate of 4.8% from fiscal year 2010 through fiscal year 2014. AWG achieved record sales in fiscal 2014 as net sales increased 6.6% from $8.4 billion in fiscal 2013 to $8.9 billion in fiscal 2014. Growth in net sales can be partially attributed to growth in sales of the company's private label AWG Brands products. AWG introduced over 300 new AWG Brands products in fiscal 2014.
- Net income increased at an annualized rate of 10.2% from fiscal year 2010 through fiscal year 2014. AWG's net income increased from $192.5 million, or 2.3% of net sales in fiscal 2013 to $226.9 million, or 2.5% of net sales in fiscal 2014 as AWG reduced its operating expenses through productivity increases in operations.

Net Sales



Source: AWG Annual Reports

Net Income



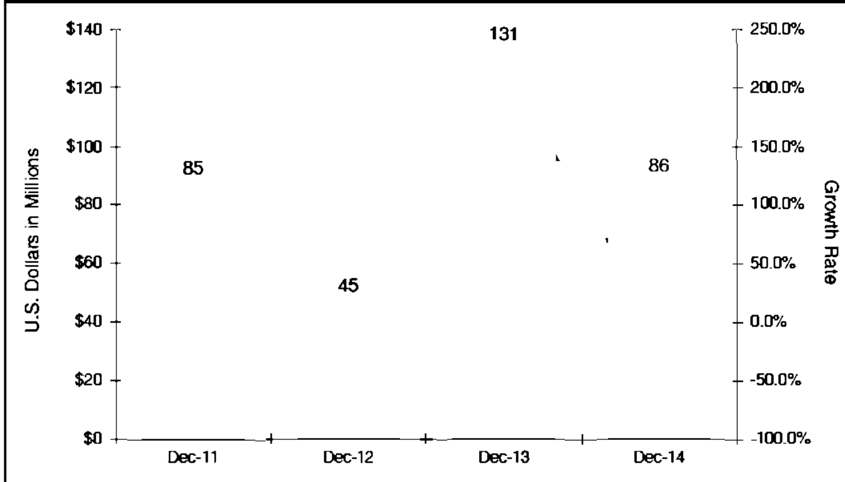
Source: AWG Annual Reports

V. EMPLOYERS' FINANCIAL ANALYSIS

Cash Flow Analysis

- AWG's unlevered free cash flow increased from $44.9 million in fiscal 2012 to $131.1 million in fiscal 2013 due primarily to increased earnings and reduced capital expenditures in fiscal 2013. Unlevered free cash flow decreased to $86.0 million in fiscal 2014 due primarily to increased investments in working capital.

Unlevered Free Cash Flow



Source: AWG Annual Reports

Grupo Bimbo, S.A.B de C.V.

Company Overview

- Grupo Bimbo, together with its subsidiaries, manufactures, distributes, markets, and sells bakery and food products. The company offers a portfolio of approximately 10,000 products under approximately 100 umbrella brands in the food categories of bread, cookies, cakes, candies, chocolates, snacks, tortillas, and processed foods. Grupo Bimbo is the largest bakery company in the world in terms of production volume and sales. Grupo Bimbo was founded in 1945 and his headquartered in Mexico City, Mexico.
- The company markets its products in 19 countries throughout North and South America. Grupo Bimbo has 144 plants, with the majority located in Mexico and the United States, and a distribution network that covers more than 52,000 routes and 2.2 million points of sale.
- Its principal brands include Bimbo, Marinela, Barcel, Ricolino, Oroweat, Arnold, Mrs. Baird's, Thomas', Brownberry, Entenmann's, Pullman, Plus Vita, Nutrella, Sara Lee, Fargo, Lactal, Silueta, Ortiz, Martínez, and Eagle.
- Grupo Bimbo accounted for approximately 2.8% of the pension contributions to the Central States Pension Plan in fiscal 2014. Based on information provided by the Plan, Grupo Bimbo currently has an unfunded withdrawal liability of over $538 million compared to an estimated market capitalization of approximately $13.2 billion.

Financial Statement Analysis

Balance Sheet Analysis

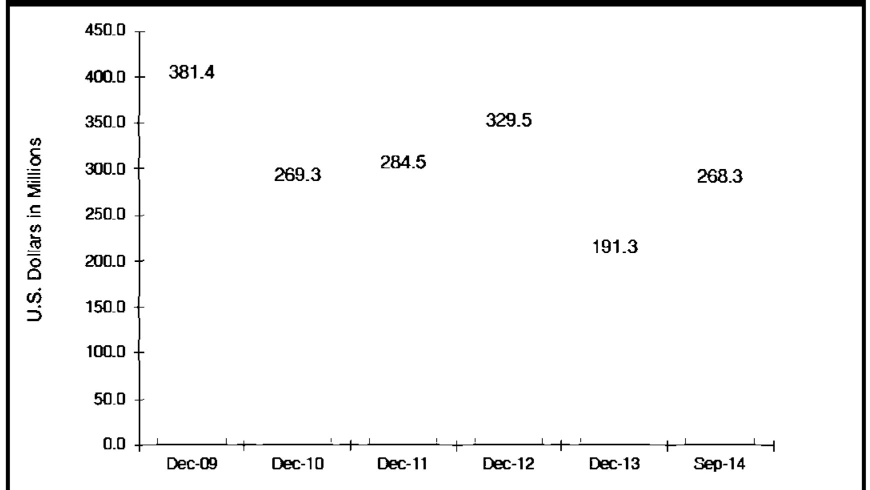
Cash and Cash Equivalents

- Grupo Bimbo's cash and cash equivalents decreased from $329.5 million as of December 31, 2012 to $191.3 million as of December 31, 2013, due primarily to increased investments in working capital. Cash and cash equivalents increased to $268.3 million as of September 30, 2014 as a result of increased cash flow from operations and the net issuance of debt, partially offset by cash used to finance acquisitions.

Interest-Bearing Debt

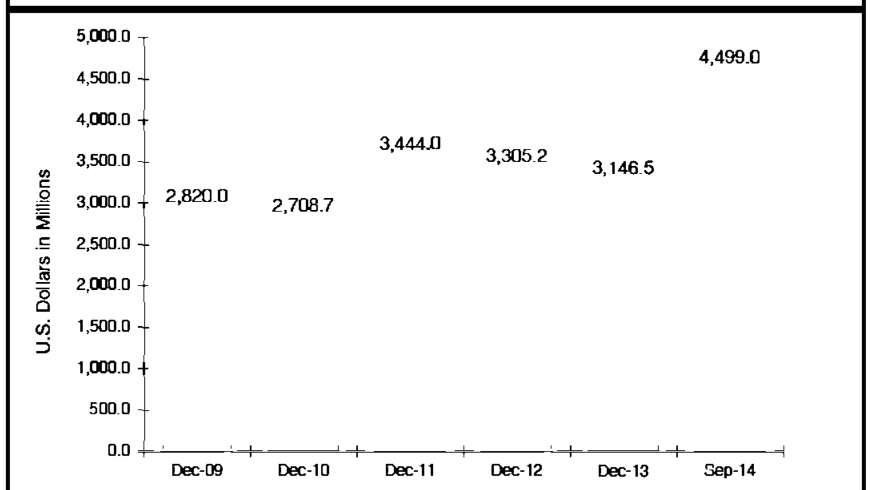
- Grupo Bimbo's interest bearing debt balance increased from $3.1 billion as of December 31, 2013 to $4.5 billion as of September 30, 2014. The increase in interest-bearing debt was primarily due to the issuance of debt to finance the Canada Bread acquisition.

Cash and Cash Equivalents Balance



Source: Grupo Bimbo Annual & Interim Reports

Interest-Bearing Debt

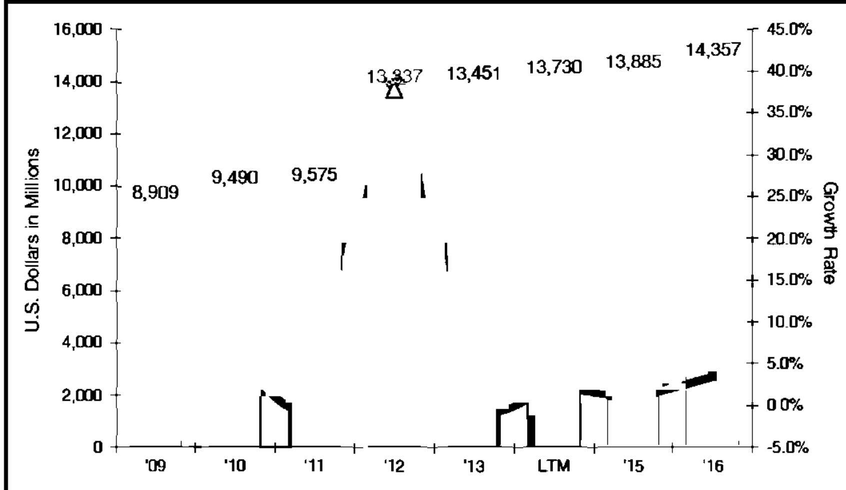


Source: Grupo Bimbo Annual & Interim Reports

Income Statement Analysis

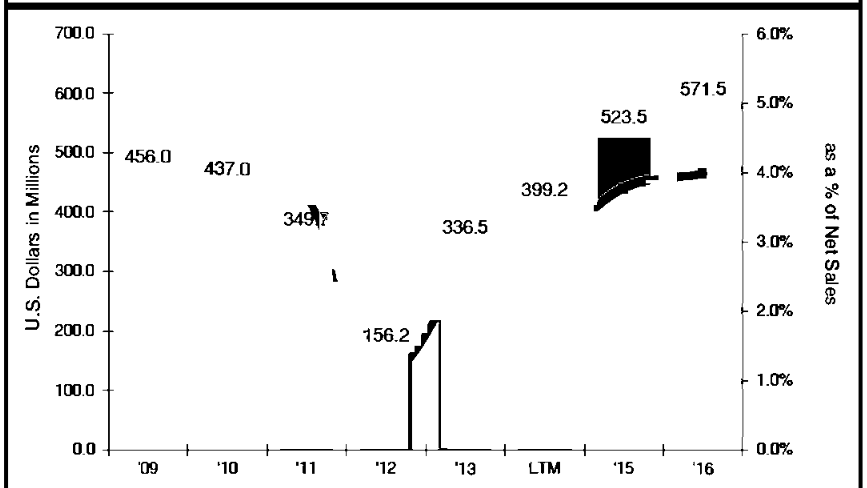
- Grupo Bimbo's net sales increased 39.3% from \$9.6 billion in fiscal year 2011 to \$13.3 billion in fiscal 2012, primarily due to the acquisition of Sara Lee in December 2011 and additional acquisitions made in late fiscal 2012.
- Net sales increased 2.1% in the LTM period ended September 30, 2014 to \$13.7 billion. This increase in sales is primarily attributable to the Canada Bread acquisition, which was offset partially by declining sales in Mexico, in part due to new taxes on high calorie food.
- Net income declined significantly from \$349.7 million, or 3.7% of net sales in fiscal 2011 to \$156.2 million, or 1.2% of net sales in fiscal 2012 due to integration expenses related to acquisitions made during the fiscal year.
- Net income increased to \$399.2 million, or 2.9% of net sales in the LTM period ended September 30, 2014 primarily due to net sales growth from recent acquisitions and ongoing efficiency initiatives in the United States, a more efficient cost structure in Europe and Latin America, and continued focus on cost reduction in Mexico.
- Consensus analyst estimates project Grupo Bimbo to achieve modest sales growth with margins returning to more normal levels following integrations costs in recent years.

Net Sales



Source: Grupo Bimbo Annual & Interim Reports

Net Income

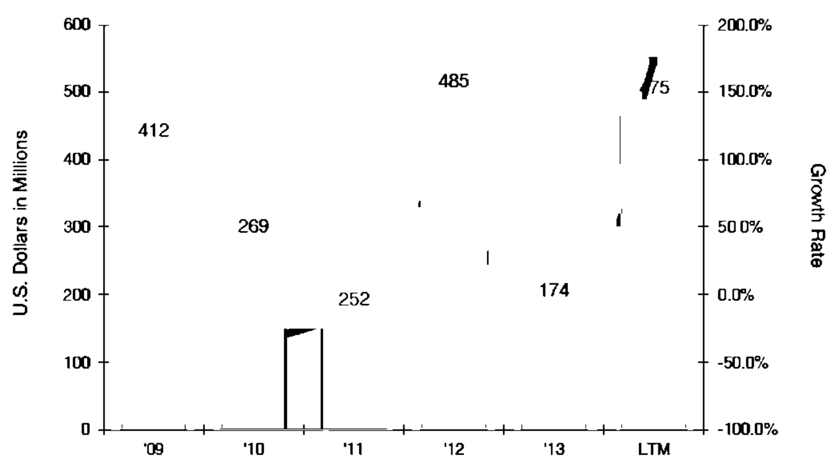


Source: Grupo Bimbo Annual & Interim Reports

Cash Flow Analysis

- Grupo Bimbo's unlevered free cash flow decreased from $484.8 million in fiscal 2012 to $174.3 million in fiscal 2013 due primarily to investments in working capital. Unlevered free cash flow increased to $474.6 million in the LTM period ended September 30, 2014 due primarily to an increase in net income and lower working capital investment.

Unlevered Free Cash Flow



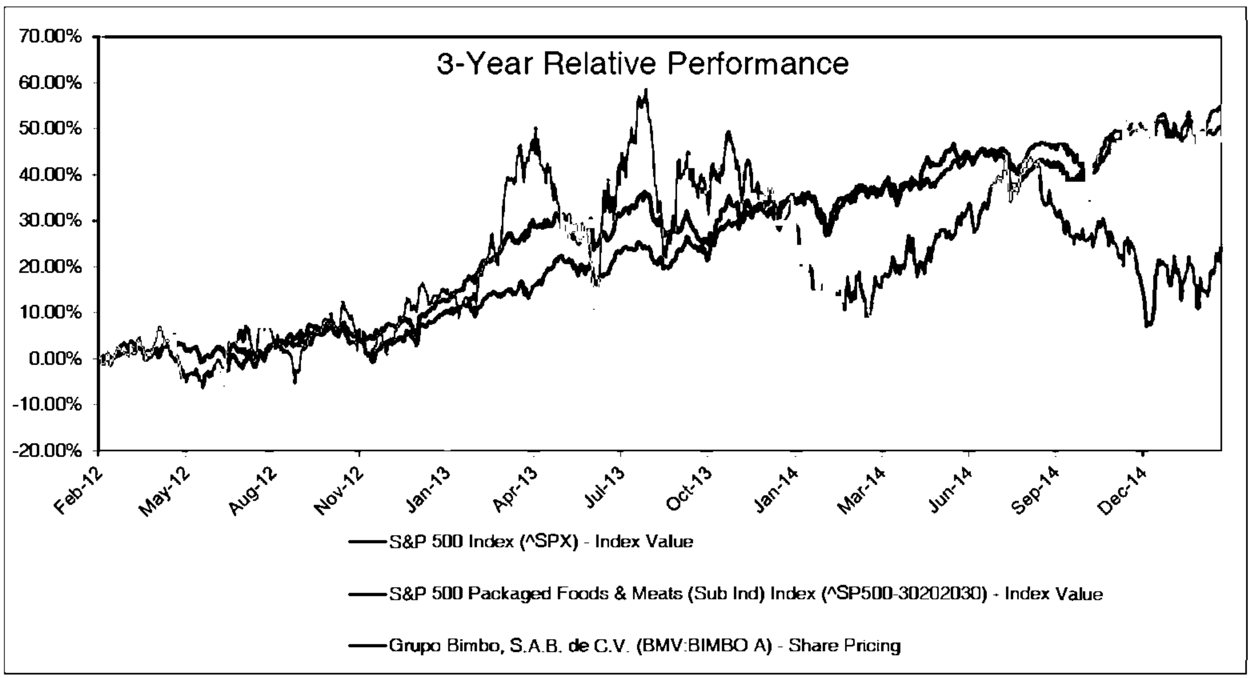
Source: Grupo Bimbo Annual & Interim Reports

Credit Analysis

- According to credit ratings published by S&P, Grupo Bimbo possesses a credit rating of BBB. This rating indicates that Grupo Bimbo has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments.
- According to Capital IQ, Grupo Bimbo's Z-Score as of September 30, 2014 was 2.8. Based on Grupo Bimbo's Z-Score, Grupo Bimbo has a low probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- Grupo Bimbo's stock price has been more volatile relative to the S&P 500 and the S&P 500 Packaged Foods & Meats Index over the three-year period ended February 23, 2015, with the stock price underperforming both indices since January 2014. During the three-year period ended February 23, 2015, Grupo Bimbo's stock price has increased 24.3%, from $2.29 on February 23, 2012 to $2.85 on February 23, 2015.
- The packaged food and meats industry has benefitted from an increasingly stable economic environment which has led to increased retail sales, an increased number of food products available to consumers, and an increase in the standard of living in developing international markets leading to opportunities for growth for U.S packaged food companies. However the packaged food and meats industry is facing stagnating demand for a number of its products, including milk, breakfast cereals, and bakery products.
- The S&P 500 Packaged Food and Meat Index has performed in line with the S&P 500 Index over the course of the three-year period ended February 23, 2015. The S&P Packaged Food and Meat Index has increased 50.5%, while the S&P 500 Index has increased 54.8% during this period.



Equity Research Analyst Reports

1) **J.P. Morgan – January 29, 2015**

   - *Bimbo will likely report a strong 4Q14 with +17%Y/Y EBITDA growth thanks mainly to integration of Canada Bread, weaker MXN, and commodity cost tailwinds. Mexico is likely to show flat revenue growth, a slight improvement vs. declines in 9M14. Organically we expect flat sales in Mexico and down in the U.S. (in US$ terms). Flat sales in Mexico would be an improvement from the negative pace year to date and is likely to be welcomed. We expect EBITDA to expand at faster pace with margin expansion in all divisions driven by a combination of lower raw material prices as well as SG&A efficiencies mainly in South America.*
   - *We believe the growing presence in the U.S. and the recent acquisition of Canada Bread make sense from a long-term strategic, synergistic, and accretion point of view. The core Mexico division is likely to slowly improve post a challenging 9M14, and market/internal drivers seem on track for a rebound in 2015. On the other hand, we remain concerned with heightened competition in the U.S. as well as potential pension fund liabilities the company could come to provision and which we have very little visibility on.*

2) **HSBC Securities – January 20, 2015**

   - *We believe competition in the U.S. and Canada and a weak consumer in Mexico will hurt top line growth. On the positive side, we are encouraged by cost cutting and restructuring initiatives in the U.S. and Canada and new promotional activities in Mexico. Weaker MXN will benefit sales from the U.S. and Canada, which we estimate will account for 50% of 2015 net sales, however this should be offset as approximately 70% of COGS for Grupo Bimbo are USD-denominated. We do expect some benefit from lower wheat prices in 2015, especially in the first half of the year.*
   - *Grupo Bimbo is being aggressive in search of new areas of growth. It acquired Canada Bread (sales of USD1.2bn) in May 2014, and recently announced the proposed acquisition of Saputo in Canada (sales of USD100m). On the cost side, the company is also in the middle of a large restructuring plan in the U.S., closing 15 plants (and opening two new plants) to reduce its cost base. We believe these initiatives are important, as both top-line growth and margin expansion will be difficult in its core markets due to competition and lower brand equity for breads as a category.*

3) **Deutsche Bank – October 23, 2014**

   - *Grupo Bimbo reported in-line 3Q14 results, showing strong margin expansion in most divisions including core Mexico (despite a 3% revenue decline due to the negative volume impact of new 2014 taxes on high-calorie foods), where EBITDA margin expanded 125 bps. But even more impressive were the smaller Iberia/ OLA units that showed over 250 bps of margin expansion.*

Dean Foods Co.

Company Overview

- Dean Foods is a leading food and beverage company and the largest processor and direct-to-store distributor of fluid milk and other dairy and dairy case products in the United States. Dean Foods manufactures, markets, and distributes a wide variety of branded and private label dairy case products and has one of the most extensive refrigerated direct store delivery systems in the United States. Dean Foods was founded in 1925 and is headquartered in Dallas, Texas.
- Dean Foods currently operates 68 manufacturing facilities in 32 states, with distribution capabilities across all 50 states. The company serves retailers, distributors, foodservice outlets, educational institutions, and governmental entities.
- In a strategic move for consolidation, Dean Foods spun off two of its divisions in fiscal 2013. Dean Foods completed the spin-off of The WhiteWave Foods Company ("WhiteWave") on May 23, 2013, and the sale of Morningstar Foods ("Morningstar") on January 3, 2013. Accordingly, WhiteWave and Morningstar operating results are presented as discontinued operations.
- Dean Foods accounted for approximately 1.6% of the pension contributions to the Central States Pension Plan in fiscal 2014. Dean Foods participates in various defined benefit and multiemployer pension plans, some of which were underfunded in fiscal year 2014. In fiscal year 2014, Dean Foods made contributions of $28.9 million to defined benefit pension plans. Based on information provided by the Plan, Dean Foods currently has an unfunded withdrawal liability of nearly $322 million compared to an estimated market capitalization of approximately $1.5 billion.

Financial Statement Analysis

Balance Sheet Analysis

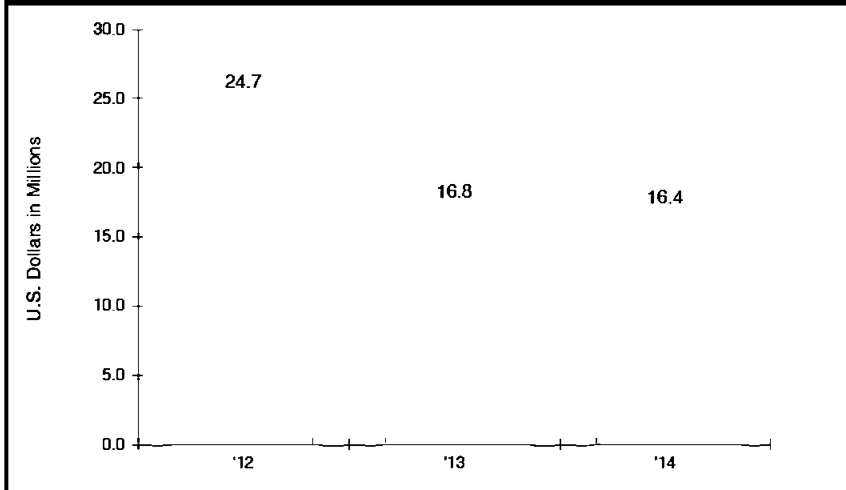
Cash and Cash Equivalents

- Dean Foods' cash and cash equivalents balances in fiscal 2010 and 2011 include cash from discontinued operations. Cash and cash equivalents decreased from $24.7 million as of December 31, 2012 to $16.8 million as of December 31, 2013 primarily due to expenses related to the sale and spin-off of Morningstar and WhiteWave. Cash and cash equivalents remained relatively stable as of December 31, 2014 at $16.4 million.

Interest-Bearing Debt

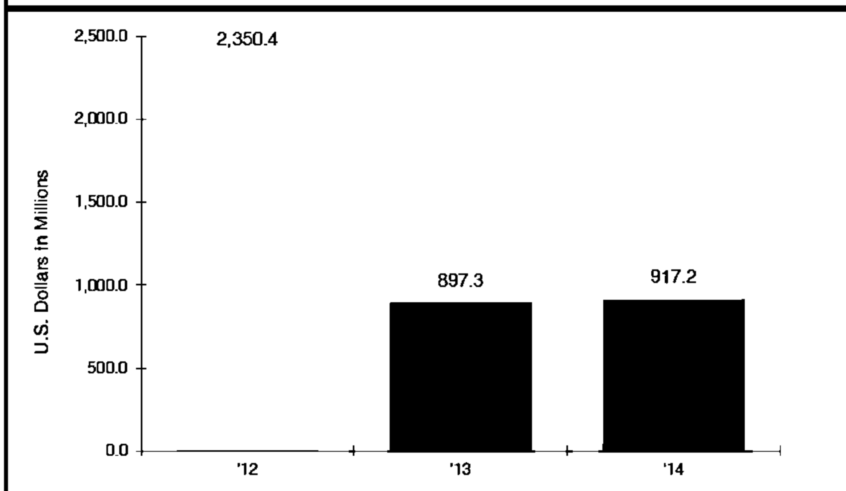
- Dean Foods' interest-bearing debt decreased significantly from $2.4 billion as of December 31, 2012 to $897.3 million as of December 31, 2013. The decrease was attributable to the repayment of senior notes using proceeds from the sale and spinoff of Morningstar and WhiteWave and the termination of Dean Foods' prior credit facility. Interest-bearing debt increased slightly to $917.2 million as of December 31, 2014 as Dean Foods increased borrowings on its new senior credit facility.

Cash and Cash Equivalents Balance



Source: Dean Foods 10-Ks and 10-Qs

Interest-Bearing Debt



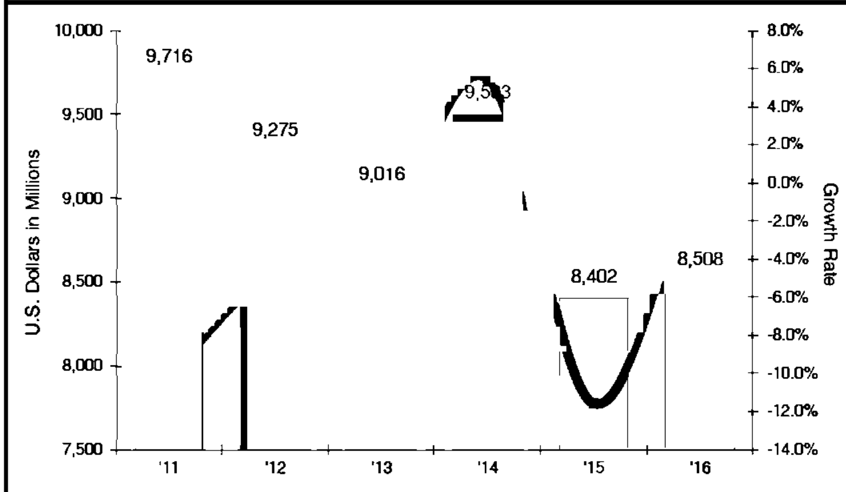
Source: Dean Foods 10-Ks and 10-Qs

V. EMPLOYERS' FINANCIAL ANALYSIS

Income Statement Analysis

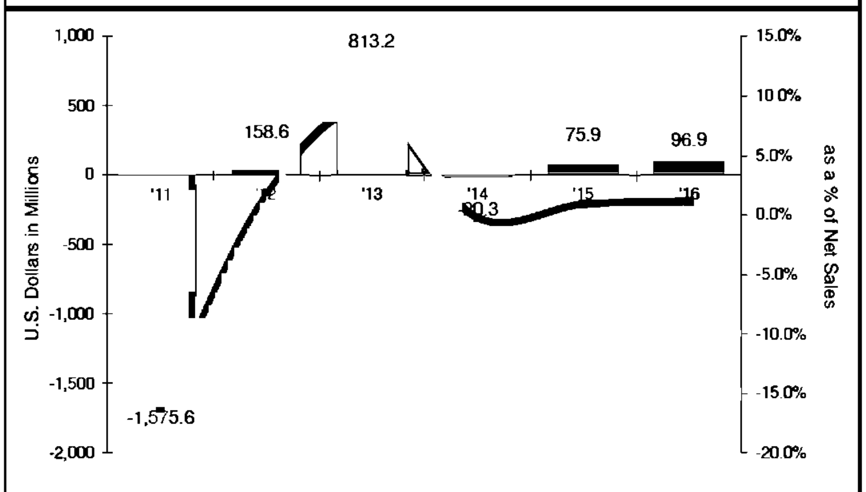
- Dean Foods' net sales decreased in fiscal years 2011 through 2013. The decrease in fiscal 2012 was primarily due to lower pricing as a result of lower dairy commodity costs as well as volume declines. The decrease in net sales in fiscal 2013 was primarily a result of a decrease in fluid milk volumes, which accounted for approximately 73% of Dean Foods' total sales volume. Volume declines were due primarily to the loss of two key customers combined with general category weakness.
- Net sales increased 5.4% to $9.5 billion in fiscal 2014 primarily due to increased pricing as a result of the pass-through of higher dairy commodity costs. Commodity-driven sales increases were partially offset by a decrease in fluid milk volumes due to increasing softness in the fluid milk category and customer attrition.
- Net income increased in fiscal 2013 to $813.2 million, or 9.0% of net sales, from $158.6 million, or 1.7% of net sales in fiscal 2012 due primarily to income from the sale and spin-off of Morningstar and WhiteWave. In fiscal 2014, net income decreased to a loss of $20.3 million. This net loss can primarily be attributed to increasing commodity prices that were not fully passed on to the consumer. The Class I raw milk price was approximately 24% above prior-year levels.
- Consensus analyst estimates anticipate decreased revenue for Dean Foods in fiscal 2015 and 2016 and modest increases in net income.

Net Sales



Source: Dean Foods 10-Ks and 10-Qs

Net Income

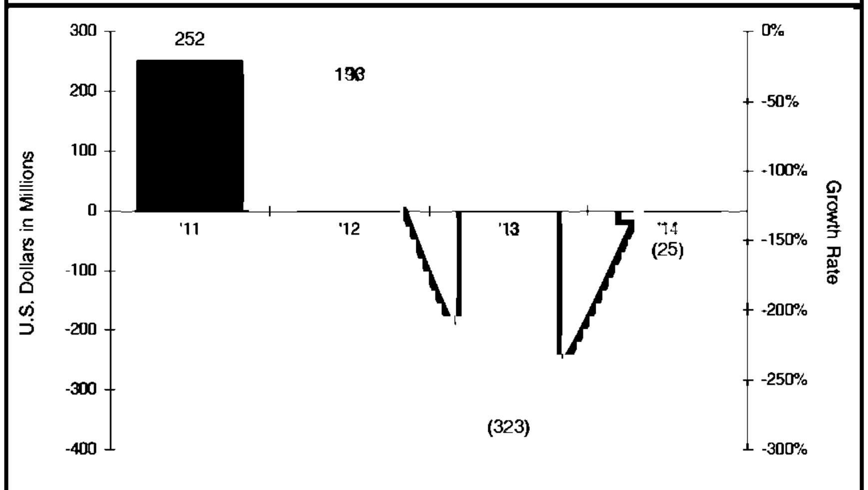


Source: Dean Foods 10-Ks and 10-Qs

Cash Flow Analysis

- Dean Foods' unlevered free cash flow decreased from $192.6 million in fiscal year 2012 to negative $323.3 million in fiscal 2013, due primarily due to increased capital expenditures and investments in working capital.
- Unlevered free cash flow increased to negative $25.2 million due to a lower level of working capital investment in fiscal 2014.

Unlevered Free Cash Flow



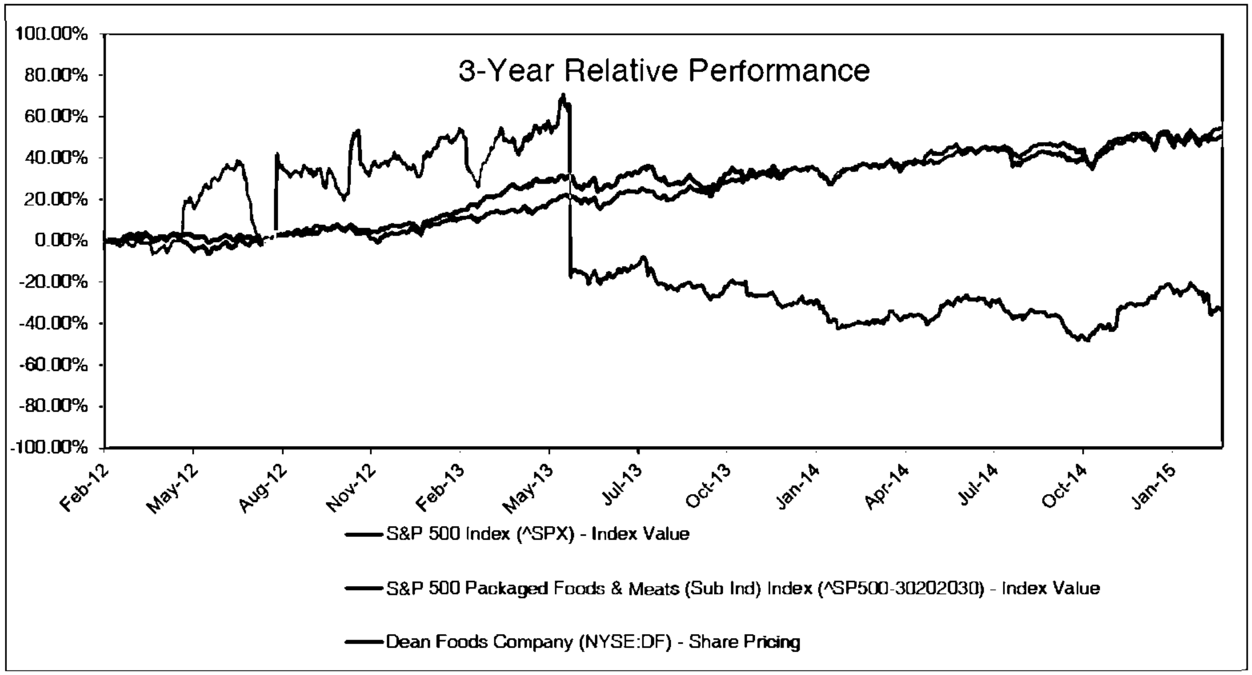
Source: Dean Foods 10-Ks and 10-Qs

Credit Analysis

- According to credit ratings published by S&P, Dean Foods possesses a credit rating of BB-. This rating indicates that Dean Foods is less vulnerable in the near term than other lower-rated companies. However, Dean Foods faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the company's inadequate capacity to meet its financial commitments.
- According to Capital IQ, Dean Foods' Z-Score as of December 31, 2014 was 4.0. Based on Dean Foods' Z-Score, Dean Foods has a very low probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- During the three-year period ended February 23, 2015, Dean Foods' stock price performance generally outperformed the S&P 500 and the S&P 500 Packaged Foods & Meats Index until May 23, 2014 when the company spun off their WhiteWave division and Dean Foods' stock price decreased as a result. Dean Foods' stock price has declined 33.8%, from $24.52 on February 23, 2012 to $16.24 on February 23, 2015.



Equity Research Analyst Reports

1) **S&P Capital IQ – February 14, 2015**

- *We expect historically high milk costs and deleveraging pressures experienced in 2014 to ease in 2015, which along with pricing gains and a less competitive environment, should lead to significant margin expansion in 2015. We expect DF's interest expense to decline significantly in 2014, helped by a cash tender offer for up to $400 million principal amount of bonds.*
- *Persistently high commodity costs hurt sales and margins in 2014. With milk prices near historical highs, consumers traded down to the company's lower margin private label products or competing beverages. We see volumes continuing to be pressured by high prices and secular declines in milk consumption in 2015. However, based on our expectation for an eventual increase in industry milk supplies, and with comparisons easing, we believe results will improve significantly in through 2016.*

2) **KeyBanc Capital Markets – February 11, 2015**

- *Overall, we continue to like DF for the following three reasons: 1) milk prices have begun to trend significantly lower and should be down meaningfully in 2015 vs. 2014, which should result in a significant rebound in DF's profitability; 2) we continue to believe there is a significant opportunity to unlock value from DF's underutilized and relatively inefficient distribution network; and 3) we continue to believe the company represents one of the best buyout candidates in our coverage universe.*
- *In particular, relative to 2013, raw milk costs are poised to be lower (we project an average Class I milk price of ~ $17/cwt compared to $18.84/cwt in 2013), DF's utilization rates will likely be higher due to recent plant closures, and price realization will likely be better as a result of pricing actions taken in 2014 – all of which point to a potential significant improvement in gross profit/gallon relative to 2013. On the other hand, we expect SG&A/gallon to be higher in 2015 relative to 2013 owing to higher incentive compensation expenses, increased labor/health benefit costs and higher distribution costs per unit owing to a temporary increase in miles driven as a result of the recent plant optimization program.*

3) Deutsche Bank – February 6, 2015

- *We remain cautious on category weakness, dairy volatility, and cost savings flow-through challenges. We are also concerned about irrational retailer/private label response to recent dairy deflation. However we recognize sequential share gains, logical efforts to reduce cost and low valuation.*
- *Over the past three months, Dean's stock is up 24%, well above its peers in the S&P Food Products Index (+3%) and the S&P 500 (+1%). We attribute the outperformance to a more favorable than expected 4Q14 outlook, with management pointing to better price realization, manufacturing and distribution savings, and lower butterfat costs. More importantly Class I milk prices have finally rolled over (-28% since December) which should lead to improved results in 2015. The inverse correlation between Class I milk prices and Dean stock appears stronger than ever.*

V. EMPLOYERS' FINANCIAL ANALYSIS

Kellogg Company

Company Overview

- Kellogg manufactures and markets ready-to-eat cereal and convenience food products, primarily in the United States and the United Kingdom. The company operates through U.S. Morning Foods, U.S. Snacks, U.S. Specialty, North America Other, Europe, Latin America, and Asia Pacific segments. Its principal products include ready-to-eat cereals and convenience foods, such as cookies, crackers, savory snacks, frozen foods, toaster pastries, cereal bars, fruit-flavored snacks, frozen waffles, and veggie foods, as well as health and wellness business bars, and beverages. Kellogg was founded in 1906 and is headquartered in Battle Creek, Michigan.
- The company markets cereal products under the Kellogg's name; and cookies, crackers, crisps, and other convenience foods under various brands, such as Kellogg's, Keebler, Cheez-It, Murray, Austin, and Famous Amos. As of February 2014, Kellogg manufactures its products in 18 countries and markets its products in more than 180 countries. Kellogg sells its products for grocery trade and to supermarkets directly, as well as through brokers and distributors.
- On February 15, 2012, Kellogg acquired The Wimble Company ("Pringles") from Procter & Gamble Co. for $2.7 billion. Pringles engages in the manufacture, marketing, and distribution of snack foods. It offers potato crisps, as well as cracker-stick related products. Pringles sells its snack products under the Pringles brand in approximately 140 countries.
- Kellogg accounted for less than 1.0% of the pension contributions to the Central States Pension Plan in fiscal 2014. Kellogg's total pension and postretirement benefit plan funding amounted to $48 million in fiscal 2013 and $51 million in fiscal 2012. Based on information provided by the Plan, Kellogg currently has an unfunded withdrawal liability of over $129 million compared to an estimated market capitalization of approximately $23.1 billion.

Financial Statement Analysis

Balance Sheet Analysis

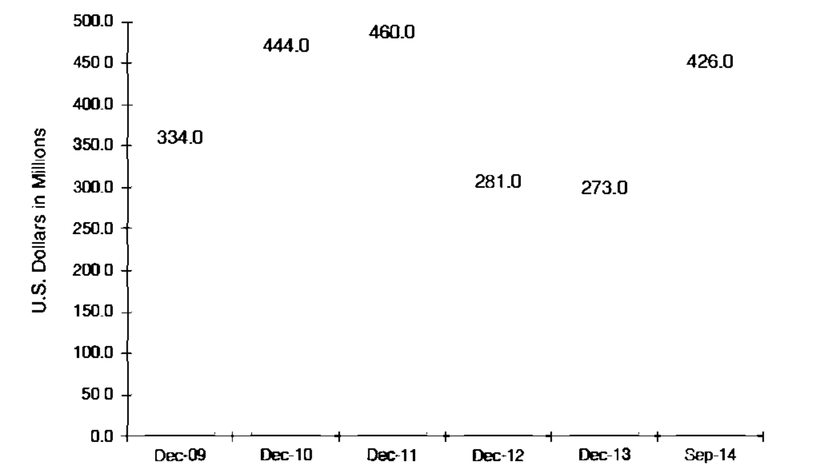
Cash and Cash Equivalents

- Kellogg's cash and cash equivalents balance decreased from $460.0 million as of December 31, 2011 to $281.0 million as of December 29, 2012. The decrease is primarily attributable to increased cash used to finance the Pringles acquisition in fiscal 2012. Cash and cash equivalents increased as of September 27, 2014 to $426.0 million from $273.0 million as of December 28, 2013 due primarily to the issuance of debt and proceeds from an equity issuance.

Interest-Bearing Debt

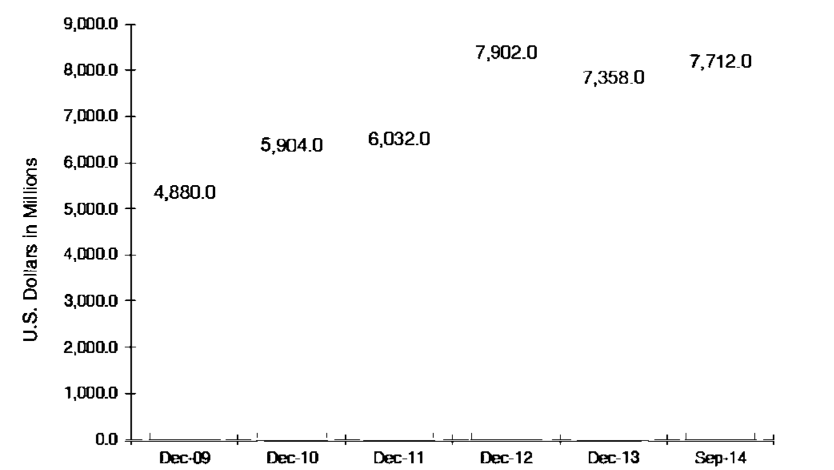
- Kellogg's interest-bearing debt increased from $6.0 billion as of December 31, 2011 to $7.9 billion as of December 29, 2012 due to the issuance of debt to finance the Pringles acquisition in fiscal 2012. As of September 27, 2014 interest-bearing debt had increased to $7.7 billion from $7.4 billion as of December 28, 2013 due to increased bank borrowings and the issuance of new Canadian dollar, U.S. dollar, and Euro notes.

Cash and Cash Equivalents Balance



Source: Kellogg 10-Ks and 10-Qs

Interest-Bearing Debt

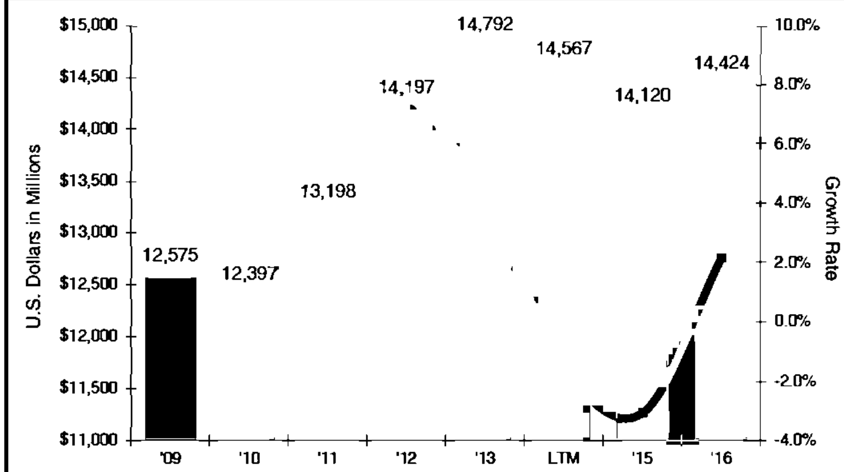


Source: Kellogg 10-Ks and 10-Qs

Income Statement Analysis

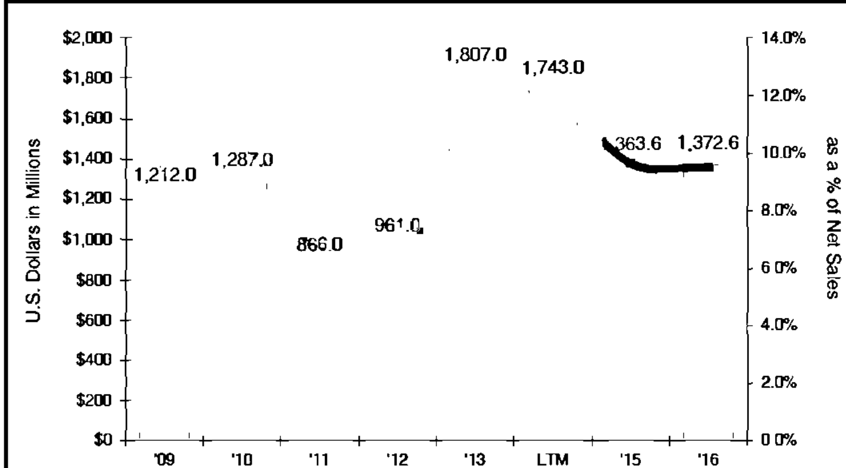
- Net sales increased significantly in fiscal years 2012 and 2013 due mainly to the Pringles acquisition. Net sales declined 1.5% from $14.8 billion in fiscal 2013 to $14.6 billion in the twelve-month period ended September 27, 2014. This decrease in net sales was due to decreased volume in all of Kellogg's divisions except its Latin America and Asia Pacific divisions. Volume has been negatively impacted by intense industry competition and declining consumer demand for cereal products.
- Net income increased significantly in fiscal 2013, increasing from $961.0 million, or 6.8% of net sales in fiscal 2012 to $1.8 billion, or 12.2% of net sales in fiscal 2013. The increase in net income is primarily due to various cost of goods sold and S,G&A reduction initiatives that Kellogg began in 2013. Net income declined in the LTM period to $1.7 billion, or 12.0% of net sales, consistent with the decrease in net sales.
- Consensus analyst estimates expect Kellogg's net sales to decline in fiscal 2015 before rising again in fiscal 2016. Net income is projected to decline from current levels in the next two years primarily due to a highly competitive environment and weak demand for cereal products.

Net Sales



Source: Kellogg 10-Ks and 10-Qs

Net Income

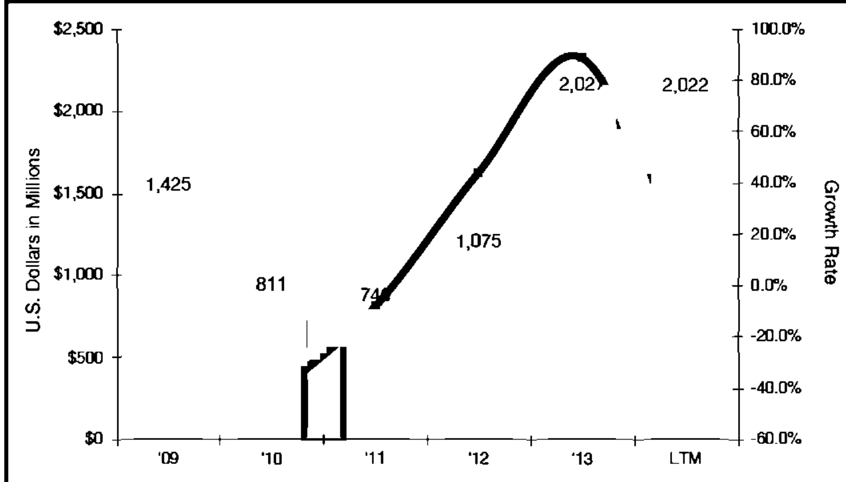


Source: Kellogg 10-Ks and 10-Qs

Cash Flow Analysis

- Kellogg's unlevered free cash flow increased from $1.1 billion in fiscal 2012 to $2.0 billion in fiscal 2013. This increase is primarily attributable to the increase in earnings in fiscal 2013. Unlevered free cash flow remained relatively unchanged at approximately $2.0 billion in the LTM period ended September 27, 2014.

Unlevered Free Cash Flow



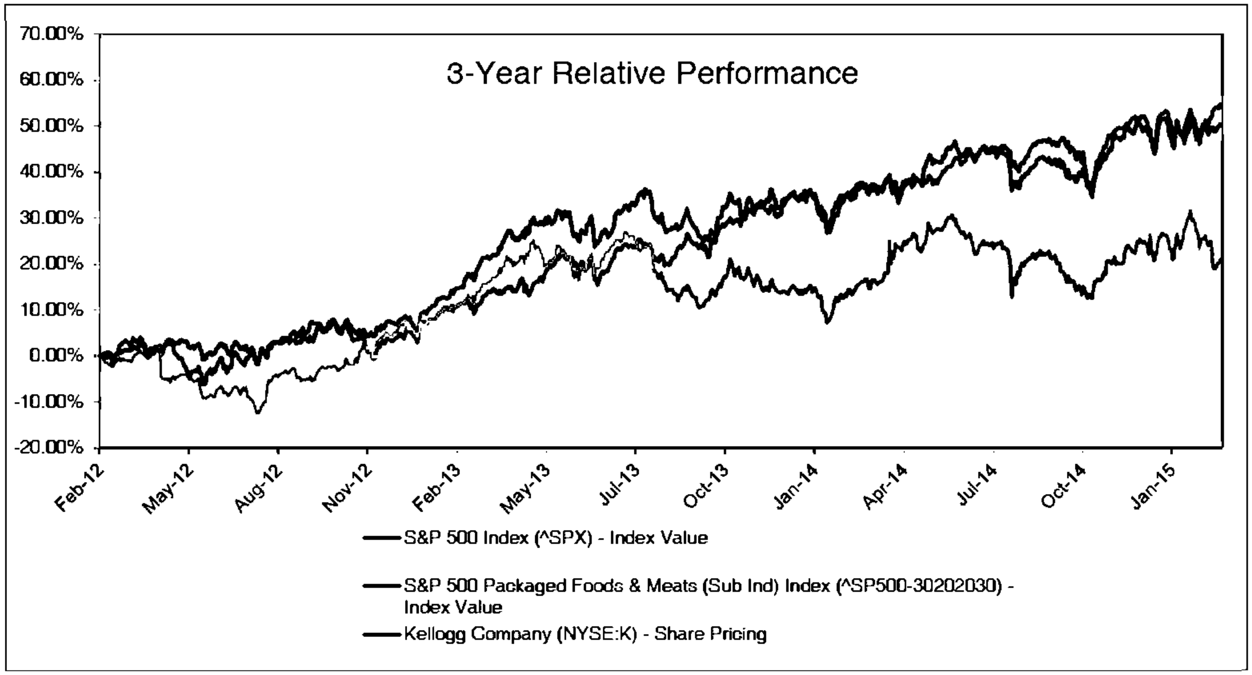
Source: Kellogg 10-Ks and 10-Qs

Credit Analysis

- According to credit ratings published by S&P, Kellogg possesses a credit rating of BBB+. This rating indicates that Kellogg has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments.
- According to Capital IQ, Kellogg's Z-Score as of September 27, 2014 was 2.9. Based on Kellogg's Z-Score, Kellogg has a low probability of entering into bankruptcy within the next two years.

Relative Stock Performance

- Kellogg's stock price performance performed relatively similar to the S&P 500 and the S&P 500 Packaged Foods & Meats Index for the first half of the three-year period ended February 23, 2015, and has underperformed both indices in the latter half of this three-year period. During the three-year period ended February 23, 2015, Kellogg's stock price has increased 21.1%, from $53.10 on February 23, 2012 to $64.29 on February 23, 2015.



Equity Research Analyst Reports

1) S&P Capital IQ – February 21, 2015

- *We expect the cereal category to remain weak as consumers shift toward products with more convenience and that are perceived as healthier. In November 2013, Kellogg announced a global four-year efficiency and effectiveness program anticipated to result in cash savings at an annual run-rate of between $425 million and $475 million in 2018, most of which will be invested in key strategic areas.*
- *In 2015, we look for currency neutral net sales to decline 1.0%, to $14.429 billion, from $14.580 billion in 2014. We see benefits from the completion of the integration of Pringles, partially offset by continued weak demand for cereals and snacks in the U.S. and unfavorable operating environments in Venezuela and Mexico.*
- *We look for profit margins to narrow in 2015 on higher compensation levels, increased marketing and promotional support, and reduced sales leverage, partially offset by increasing benefits from its global four-year efficiency and effectiveness program (Project K). We believe a highly inflationary environment in Latin America will add to margin pressures.*

2) Morningstar – February 13, 2015

- *Kellogg is pursuing a multipronged approach to tackling the tough economic climate, centering its strategic efforts on improving product innovation, driving international expansion, and building out a global supply chain.*
- *In order to fund its initiatives to build out a global supply chain while improving efficiency, Kellogg intends to reduce its work force by 7% by the end of 2017 and further consolidate its facilities to eliminate excess capacity.*
- *Overall, competitive pressures remain intense (management has repeatedly noted that it is still battling trade inventory reductions in cereal and snacks), and the firm has alluded to the fact that some of its new products in the cereal aisle have failed to win at the shelf with consumers (even though innovation has been a renewed area of emphasis by management). Further, we think that austerity measures in Europe, slower growth in emerging markets, and constraints on consumer spending (such as higher taxes and reduced government assistance) will continue to pressure sales growth.*

3) JP Morgan – February 13, 2015

- *On the positive side, we continue to view Project K as an effective way to fund top line growth, and we like management's plans for turning around its businesses (e.g. migrating Special K away from dieting). We also think the worst is probably behind it in terms of top and bottom line headwinds. On the less positive side, we do not yet view the shares necessarily as attractive, the top line has struggled more than we anticipated, and earnings this year will disappoint vs. our original expectations despite some significant COGS tailwinds.*

Summary of Financial Condition of Employers

Employer Financials

Employer Name	Contributions as a % of Total Plan Contributions in 2014	Withdrawal Liability / Market Capitalization	LTM Pension Expense / EBITDA	LTM Central States Contribution / EBITDA	Total Debt / LTM EBITDA	Z-Score	S&P Credit Rating	Dividend Yield	2019 Projected Contribution Rate Increase
ArcBest Corporation	12.7%	223.5%	90.5%	46.7%	0.9x	4.2x	n/a	0.6%	2.5%
YRC Worldwide, Inc.	8.9%	1189.2%	46.5%	26.4%	5.6x	1.3x	CCC+	0.0%	2.5%
Grupo Bimbo, S.A.B. de C.V.	2.8%	4.1%	n/a	1.1%	3.0x	2.6x	BBB	0.0%	4.0%
The Kroger Co.	2.4%	1.2%	4.8%	0.3%	2.3x	4.8x	BBB	1.1%	4.0%
SpartanNash Company	2.2%	42.0%	6.3%	6.3%	2.8x	4.7x	n/a	2.0%	4.0%
Dean Foods Company	1.6%	20.9%	14.8%	4.8%	4.7x	4.0x	BB-	1.7%	4.0%
Deutsche Post AG	1.4%	1.1%	n/a	0.2%	1.5x	2.7x	n/a	2.7%	2.5% - 4.0%
SuperValu, Inc.	1.4%	16.2%	5.3%	1.1%	4.2x	3.2x	B+	0.0%	4.0%
Roundy's, Inc.	1.1%	106.2%	n/a	4.6%	4.8x	4.1x	n/a	0.0%	4.0%
Kellogg Company	0.8%	0.6%	0.4%	0.1%	2.1x	2.9x	BBB+	3.0%	4.0%
Associated Wholesale Grocer's, Inc.	2.2%	n/a	4.7%	4.7%	0.5x	n/a	n/a	n/a	3.5%

Source: Plan records, Capital IQ, and Employer 10-Ks, 10-Qs, and Annual Reports

Section VI

Opinion

Conclusion

- We understand that the Plan's collectively bargained Contribution Rate may be subject to change, due to changes required under the Plan's rehabilitation plan. We understand that Contribution Rate changes may materially impact the operations of certain employers in the Plan and their ability to remain profitable or maintain current levels of profitability.
- It is important to note that our opinion is based on whether the proposed increase in the Contribution Rate is reasonable for the Employers in aggregate. For purposes of evaluating whether the proposed increase is reasonable for the Employers, we have not performed a solvency analysis.

Proposed Change in Contribution Rate

Employer Name	2015	2016	2017	2018	2019
ArcBest Corporation	0.0%	0.0%	0.0%	2.5%	2.5%
YRC Worldwide, Inc.	0.0%	0.0%	0.0%	0.0%	2.5%
Grupo Bimbo, S.A.B. de C.V.	4.0%	4.0%	4.0%	4.0%	4.0%
The Kroger Co.	4.0%	4.0%	4.0%	4.0%	4.0%
SpartanNash Company	4.0%	4.0%	4.0%	4.0%	4.0%
Dean Foods Company	4.0%	4.0%	4.0%	4.0%	4.0%
Deutsche Post AG					
Air Express International USA Inc.	4.0%	4.0%	4.0%	4.0%	4.0%
DHL Express Inc.	2.5%	2.5%	2.5%	2.5%	2.5%
Standard Forwarding LLC	8.0%	8.0%	8.0%	6.0%	4.0%
SuperValu, Inc.	4.0%	4.0%	4.0%	4.0%	4.0%
Roundy's, Inc.	4.0%	4.0%	4.0%	4.0%	4.0%
Kellogg Company	4.0%	4.0%	4.0%	4.0%	4.0%
Associated Wholesale Grocers, Inc.	6.0%	4.0%	4.0%	4.0%	3.5%

Source: Plan records

Trucking and Shipping

- Companies in the trucking and shipping industry were significantly affected by weak economic conditions during the recession, but have seen increasing revenue and profits in recent years as the economy has recovered. While shipping volumes have improved in line with recent economic growth, the industry is still faced with excess capacity, which continues to keep profit margins low. In addition, unionized companies in this industry have a higher cost structure making it more challenging for them to compete with non-union companies. Sustained economic growth is required in order for industry capacity to return to a more normal level. For employers in the trucking and shipping industry, increased industry competition is a significant threat. Additionally, the companies that operate in this industry are also significant participants in the Plan and other multiemployer pension plans due to the prevalence of union labor.

Food Retail

- Companies operating in the food retail industry have experienced modest growth in revenue and profitability over the last few years. The industry group is mature and not subject to significant risk related to the economy due to the fact that the majority of products sold by industry group participants are non-discretionary. Though competitive conditions make investments in capital expenditures and acquisitions necessary to remain competitive, Employers in this industry group that were considered as part of the Analysis all appear able to satisfy their existing obligations given consistent and stable cash flows from operations, reasonable debt levels, and relatively immaterial pension obligations. This is despite the fact each of these companies and the industry group in general generates low margins, which creates some risk related to future operations.

Packaged Food and Meats

- Companies in the packaged food and meats industry have seen modest growth in revenue and profitability as the economy continues to improve. Improving economic conditions have also encouraged some consumers to buy more premium products. However, many companies in this industry have seen stagnant demand for their products, such as milk, breakfast cereals, and bakery and snack products. Modest sales growth is forcing many companies to focus on innovation and expanded product offerings. Pension plan expenses for companies that operate in this industry do not represent a material portion of operating expenses, compared to companies that operate in the trucking and shipping industry, making proposed increases in the Contribution Rate less material relative to other industries.

VI. Opinion

Conclusion

- It appears that a majority of the Employers will be able to satisfy their obligations and remain competitive, based on the Analysis, even if the proposed Contribution Rate increases are implemented due to (1) relatively immaterial contribution payments to the Plan relative to the Employers' cash flows, (2) projected earnings and cash flow from operations that call for positive returns, and (3) manageable debt servicing requirements in addition to relatively stable economic and industry conditions. However, while YRC's financial performance has improved, the Company still has some current liquidity concerns and certain other Employers could potentially experience some level of financial distress in the future.

YRC

- A summary of the financial performance of YRC, the Plan's second largest contributor, is presented below.
  - Revenue has been relatively flat in recent years and sufficiently increasing volumes and yields may be difficult to achieve considering the excess capacity in the transportation sector and the competitive industry environment. Volumes have also been negatively impacted as certain customers have diverted their business due to concerns surrounding YRC's financial stability.
  - Despite improving economic conditions and YRC's cost reduction efforts (i.e. reductions in force, reductions in wages, and reductions in service centers), YRC's net income has been negative since fiscal 2007.
  - Analysts project that YRC will generate positive net income in fiscal 2015 and 2016, but remain concerned about YRC's ability to satisfy its pension and post-retirement benefit obligations.
  - YRC's LTM debt / EBITDA of 5.6x is above industry and S&P 500 averages.
  - According to credit ratings published by S&P, YRC possesses a credit rating of CCC+. This rating indicates that YRC is currently vulnerable to nonpayment, and is dependent on favorable business, financial, and economic conditions in order for YRC to meet its financial commitments on current obligations.
  - According to Capital IQ, YRC's Z-Score as of December 31, 2014 was 1.3. Based on YRC's Z-Score, YRC has a high probability of entering into bankruptcy within the next two years.
  - Based on information provided by the Plan, YRC currently has an unfunded withdrawal liability of $6.9 billion compared to a current market capitalization of approximately $581.8 million. In addition, if YRC declares bankruptcy it is unlikely that the Plan will receive any portion of YRC's withdrawal liability. Furthermore, it is our understanding that a withdrawal from the Plan by YRC would likely result in the remaining Employers assuming a pro rata portion of YRC's withdrawal liability.

- YRC's historical losses and low projected net income, low debt ratings, degree of leverage, Z-Score, and future pension and debt obligations illustrate the current and long-term liquidity and solvency issues faced by YRC. While YRC may struggle to maintain sufficient liquidity and remain solvent through 2019, the proposed change in Contribution Rate for YRC indicates no projected increase in Contribution Rate through 2018, and a 2.5% annual increase in YRC's Contribution Rate beginning in fiscal 2019. YRC's ability to satisfy its current contribution requirement suggests that it will continue to be able to satisfy the same contribution requirement through 2018. In addition, it is possible that future collective bargaining agreements may reduce other obligations for YRC and make contribution increases more reasonable. Accordingly, only aggregate collectively bargained increases in YRC obligations that materially reduce YRC cash flows would likely be unreasonable due to the Company's consistent efforts to reduce costs and increase profitability.

Other Employers

- While not experiencing nearly the same level of financial distress as YRC, ArcBest has experienced net losses in two of the last five years, reflecting subdued market conditions and a more competitive market. Based on information provided by the Plan, ArcBest currently has an unfunded withdrawal liability of over $2.3 billion compared to a current market capitalization of approximately $1.1 billion. ArcBest's withdrawal liability could be a potential cause for concern. Additionally, any increase in the Contribution Rate may reduce ArcBest's ability to compete effectively. However, ArcBest's revenue has consistently increased over the last five years and current analyst forecasts call for the company to generate positive net income in 2015 and 2016. Additionally, ArcBest's Z-Score and dividend yield indicate that the company is not likely to enter bankruptcy in the next two years and indicates confidence in the company's financial condition. Furthermore, ArcBest's acquisition of Panther suggests the company is pursuing growth rather than selling assets to meet its obligations.
- The level of leverage currently being employed by SuperValu and Dean Foods indicates a potential cause for concern, and could possibly limit these companies' ability to continue to make increased contributions to the Plan. Still, SuperValu's and Dean Food's contributions to the Plan represent less than 5% of their LTM EBITDA, respectively. Furthermore, the Z-Scores and S&P credit ratings of SuperValu and Dean Foods suggest that these companies are likely able to satisfy the proposed increases in the Contribution Rate.
- Accordingly, it does not appear that potential increases in the Contribution Rate would be unreasonable for ArcBest, SuperValu, or Dean Foods. In addition, the other Employers analyzed as part of the Analysis do not appear to be suffering financial distress and have remained profitable for an extended period of time. As a result, these companies are likely to be able to continue to satisfy the proposed increases in the Contribution Rate.

- Still, it is important to note that our analysis was limited to a review of financial statement information that was publicly available and did not include meetings with each Employer's management team. As a result, we were not able to determine whether other obligations (pension costs outside of the Plan, labor costs, etc.) may be changing in the future, or to evaluate each company's competitive position in the marketplace to an extent greater than publicly available information would indicate. As a result, we are not able to determine whether the increases in the Contribution Rate would be reasonable for the Employers on an individual basis.

Opinion

- While certain Employers (excluding YRC) may be somewhat highly levered or generated operating losses in recent years, industry analysts have generally forecasted that these Employers will operate profitably going forward. Additionally, many of these Employers have successfully issued debt in recent years (in many cases "investment grade" debt), reflecting investor confidence in these Employers. Furthermore, many of these Employers have completed acquisitions and currently pay dividends – indicating that the company is pursuing growth and that company management is confident in the company's financial condition. However, given YRC's level of financial distress, existing debt and pension obligations, and limited growth opportunities – coupled with the fact that YRC's withdrawal from the plan would likely result in very little recovery by the Plan and an increase in assumed withdrawal liability of the remaining Employers – any increase in the Contribution Rate for YRC may be unreasonable unless it does not have a material impact on the Company's cash flow or is offset by negotiated terms in the course of collective bargaining that reduce other YRC obligations to the Plan.
- Accordingly, based on all of the information reviewed and evaluated as part of the Analysis, it is our opinion that the proposed increase in the Contribution Rate for the Employers through the year 2018 is reasonable. However, the proposed increase in the Contribution Rate is not reasonable beyond 2018, due principally to the proposed increase in the Contribution Rate for YRC in 2019.

Appendix A

Exhibits

Exhibit A - Reported Balance Sheets: YRC Worldwide Inc.

In Millions of U.S. Dollars	As of				
	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Cash and Equivalents	$ 143	$ 201	$ 209	$ 176	$ 171
Accounts Recievable	443	477	460	461	471
Other Receivables	13	10	27	20	0
Inventory	16	26	27	17	0
Prepaid Expenses	34	34	31	34	81
Restricted Cash	0	60	20	90	29
Deferred Tax Assets	118	32	0	0	0
Total Current Assets	**768**	**838**	**774**	**798**	**752**
Net Property and Equipment	**1,529**	**1,337**	**1,191**	**1,090**	**994**
Intangibles	140	118	99	80	60
Long-Term Investments	51	54	22	23	0
Deferred Tax Assets	0	0	0	18	21
Other Assets	83	140	139	56	157
Total Other Assets	**274**	**311**	**260**	**177**	**239**
Total Assets	**$ 2,572**	**$ 2,486**	**$ 2,226**	**$ 2,065**	**$ 1,985**

Source: Capital IQ

Exhibit A - Reported Balance Sheets: YRC Worldwide Inc.

In Millions of U.S. Dollars	As of				
	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Accounts Payable	$ 147	$ 152	$ 162	$ 177	$ 172
Accrued Expenses	196	210	191	191	177
Current Portion of Long-Term Debt and Capital Leases	223	10	9	9	31
Deferred Tax Liability	0	0	2	19	21
Other Current Liabilities	452	304	231	190	202
Total Current Liabilities	**1,019**	**676**	**595**	**585**	**604**
Long-Term Debt	503	1,035	1,060	1,066	1,079
Capital Lease Obligations	334	310	307	289	0
Minority Interest	(2)	(5)	0	0	0
Pension & Other Post-Retirement Benefits	448	440	549	385	460
Deferred Tax Liability	119	32	0	2	2
Other Liabilities	360	352	344	336	315
Total Long-Term Liabilities	**1,762**	**2,164**	**2,259**	**2,078**	**1,856**
Total Liabilities	**2,781**	**2,840**	**2,855**	**2,662**	**2,459**
Total Stockholders' Equity	**(210)**	**(354)**	**(629)**	**(597)**	**(474)**
Total Liabilities & Stockholders' Equity	**$ 2,572**	**$ 2,486**	**$ 2,226**	**$ 2,065**	**$ 1,985**

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: YRC Worldwide Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended				
	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Net Income	$ (326)	$ (351)	$ (140)	$ (84)	$ (68)
Depreciation and Amortization	206	192	184	172	164
Amortization of Deferred Charges	46	24	6	8	9
Non-Cash Items	(9)	89	59	(5)	27
Changes in Working Capital	83	21	(133)	(80)	(103)
Net Cash Provided by (Used in) Operating Activities	**1**	**(26)**	**(26)**	**12**	**29**
Capital Expenditures	(19)	(72)	(66)	(67)	(69)
Sale of Property, Plant, and Equipment	86	68	50	10	21
Other Investing Cash Flow Items, Total	40	(153)	36	34	7
Net Cash Provided by (Used in) Investing Activities	**106**	**(157)**	**20**	**(24)**	**(42)**
Net (Repayment) Issuance of Debt	(54)	272	19	(9)	(196)
Proceeds from Equity Issuance	28	0	0	0	250
Other Financing Activities, Total	(36)	(32)	(5)	(12)	(46)
Net Cash Provided by (Used in) Financing Activities	**(62)**	**240**	**14**	**(21)**	**8**
Net Increase (Decrease) in Cash and Cash Equivalents	**45**	**58**	**8**	**(32)**	**(5)**
Cash and Cash Equivalents at Beginning of Year	98	143	201	209	176
Cash and Cash Equivalents at End of Year	**$ 143**	**$ 201**	**$ 209**	**$ 176**	**$ 171**

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Income Statements: YRC Worldwide Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended														
		12/31/2010	%		12/31/2011	%		12/31/2012	%		12/31/2013	%		12/31/2014	%
Net Sales	$	**4,335**	100.0%	$	**4,869**	100.0%	$	**4,851**	100.0%	$	**4,865**	100.0%	$	**5,069**	100.0%
Growth Rate		*n/a*			*12.3%*			*-0.4%*			*0.3%*			*4.2%*	
Operating Expenses		449	10.4%		483	9.9%		436	9.0%		413	8.5%		432	8.5%
Operating Income		**(182)**	-4.2%		**(142)**	-2.9%		**14**	0.3%		**33**	0.7%		**34**	0.7%
Other Income (Expense)		(60)	-1.4%		(63)	-1.3%		(15)	-0.3%		2	0.0%		33	0.6%
EBIT		**(242)**	-5.6%		**(206)**	-4.2%		**(1)**	0.0%		**34**	0.7%		**66**	1.3%
Interest Expense		(159)	-3.7%		(156)	-3.2%		(151)	-3.1%		(164)	-3.4%		(150)	-3.0%
Earnings Before Taxes		**(401)**	-9.2%		**(362)**	-7.4%		**(152)**	-3.1%		**(130)**	-2.7%		**(84)**	-1.7%
Income Taxes		96	2.2%		8	0.2%		15	0.3%		46	0.9%		16	0.3%
Minority Interest		2	0.0%		3	0.1%		(4)	-0.1%		0	0.0%		0	0.0%
Discountinued Operations		(23)	-0.5%		0	0.0%		0	0.0%		0	0.0%		0	0.0%
Net Income	**$**	**(326)**	-7.5%	**$**	**(351)**	-7.2%	**$**	**(140)**	-2.9%	**$**	**(84)**	-1.7%	**$**	**(68)**	-1.3%

Source: Capital IQ

Exhibit A - Reported Balance Sheets: ArcBest Corporation

In Millions of U.S. Dollars	As of				
	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Cash and Equivalents	$ 103	$ 141	$ 91	$ 105	$ 157
Short-Term Investments	39	34	29	36	46
Accounts Recievable	145	150	181	203	228
Other Receivables	8	8	7	7	7
Prepaid Expenses	10	11	17	19	21
Other Current Assets	94	101	62	48	56
Total Current Assets	**400**	**445**	**386**	**418**	**515**
Net Property and Equipment	**407**	**415**	**444**	**394**	**410**
Goodwill	4	4	73	76	77
Intangibles	3	3	80	75	73
Other Assets	48	49	52	53	53
Total Other Assets	**54**	**56**	**204**	**204**	**203**
Total Assets	**$ 861**	**$ 916**	**$ 1,034**	**$ 1,017**	**$ 1,128**

Source: Capital IQ

Exhibit A - Reported Balance Sheets: ArcBest Corporation

In Millions of U.S. Dollars	As of				
	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Accounts Payable	$ 62	$ 67	$ 84	$ 89	$ 104
Accrued Expenses	72	76	159	174	195
Short-Term Debt	13	21	14	14	16
Current Portion of Long-Term Debt and Capital Leases	14	24	43	32	25
Other Current Liabilities	73	76	0	2	1
Total Current Liabilities	**234**	**264**	**300**	**310**	**341**
Long-Term Debt	0	47	113	81	102
Capital Lease Obligations	43	0	0	0	0
Other Liabilities	105	140	163	106	123
Total Long-Term Liabilities	**147**	**187**	**276**	**187**	**226**
Total Liabilities	**381**	**451**	**575**	**497**	**567**
Total Stockholders' Equity	**480**	**466**	**459**	**520**	**561**
Total Liabilities & Stockholders' Equity	**$ 861**	**$ 916**	**$ 1,034**	**$ 1,017**	**$ 1,128**

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: ArcBest Corporation

In Millions of U.S. Dollars	For the Fiscal Year Ended				
	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Net Income	$ (33)	$ 6	$ (8)	$ 16	$ 46
Depreciation and Amortization	72	74	85	84	86
Amortization of Deferred Charges	0	0	3	5	0
Non-Cash Items	(5)	11	(4)	(1)	19
Changes in Working Capital	(7)	10	8	(10)	(7)
Net Cash Provided by (Used in) Operating Activities	**26**	**101**	**85**	**94**	**144**
Capital Expenditures	(11)	(53)	(37)	(26)	(35)
Sale of Property, Plant, and Equipment	6	7	6	2	5
Other Investing Cash Flow Items, Total	50	(0)	(2)	(15)	(18)
Cash Acquisitions	0	0	(180)	(4)	(3)
Net Cash Provided by (Used in) Investing Activities	**45**	**(46)**	**(213)**	**(43)**	**(52)**
Net (Repayment) Issuance of Debt	(6)	(8)	40	(43)	17
Total Dividends Paid	(3)	(3)	(3)	(3)	(4)
Proceeds from Equity Issuance	2	1	0	3	1
Other Financing Activities, Total	(1)	(5)	42	8	(55)
Net Cash Provided by (Used in) Financing Activities	**(8)**	**(16)**	**78**	**(36)**	**(40)**
Net Increase (Decrease) in Cash and Cash Equivalents	**63**	**39**	**(51)**	**15**	**52**
Cash and Cash Equivalents at Beginning of Year	39	103	141	91	105
Cash and Cash Equivalents at End of Year	**$ 103**	**$ 141**	**$ 91**	**$ 105**	**$ 157**

Source: Capital IQ

Exhibit A - Reported Income Statements: ArcBest Corporation

In Millions of U.S. Dollars	For the Fiscal Year Ended									
	12/31/2010	%	12/31/2011	%	12/31/2012	%	12/31/2013	%	12/31/2014	%
Net Sales	**$ 1,658**	100.0%	**$ 1,908**	100.0%	**$ 2,066**	100.0%	**$ 2,300**	100.0%	**$ 2,613**	100.0%
Growth Rate	*n/a*		*15.1%*		*8.3%*		*11.3%*		*13.6%*	
Operating Expenses	126	7.6%	124	6.5%	153	7.4%	170	7.4%	127	4.9%
Operating Income	**(56)**	-3.4%	**9**	0.4%	**(15)**	-0.7%	**20**	0.9%	**73**	2.8%
Other Income (Expense)	5	0.3%	5	0.3%	4	0.2%	3	0.1%	1	0.0%
EBIT	**(51)**	-3.1%	**13**	0.7%	**(12)**	-0.6%	**24**	1.0%	**74**	2.8%
Interest Expense	(3)	-0.2%	(4)	-0.2%	(5)	-0.3%	(4)	-0.2%	(3)	-0.1%
Earnings Before Taxes	**(54)**	-3.2%	**9**	0.5%	**(17)**	-0.8%	**19**	0.8%	**71**	2.7%
Income Taxes	21	1.3%	(3)	-0.2%	9	0.4%	(4)	-0.2%	(24)	-0.9%
Net Income	**$ (33)**	-2.0%	**$ 6**	0.3%	**$ (8)**	-0.4%	**$ 16**	0.7%	**$ 46**	1.8%

Source: Capital IQ

A. Exhibits

Exhibit A - Reported Balance Sheets: Deutsche Post AG

In Millions of U.S. Dollars	As of					
	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	9/30/2014
Cash and Equivalents	$ 4,391	$ 4,579	$ 4,057	$ 3,164	$ 4,706	$ 2,695
Short-Term Investments	2,365	614	2,913	175	1,034	199
Accounts Recievable	7,672	8,742	8,972	9,175	9,695	9,570
Other Receivables	1,511	1,529	1,660	1,291	1,418	249
Inventory	324	299	355	425	555	462
Prepaid Expenses	889	916	873	895	873	0
Other Current Assets	1,073	1,116	3,493	1,077	1,153	3,554
Total Current Assets	**18,224**	**17,794**	**22,323**	**16,203**	**19,434**	**16,729**
Net Property and Equipment	**8,704**	**7,913**	**7,860**	**8,440**	**8,918**	**8,528**
Goodwill	14,680	14,302	14,255	14,400	14,704	13,924
Intangibles	1,759	1,506	1,475	1,445	1,290	1,498
Long-Term Investments	3,947	6,068	403	426	566	1,551
Deferred Tax Assets	957	1,305	1,498	1,751	1,827	1,993
Other Assets	1,515	1,750	2,084	1,975	2,118	444
Total Other Assets	**22,858**	**24,931**	**19,714**	**19,997**	**20,505**	**19,411**
Total Assets	**$ 49,786**	**$ 50,638**	**$ 49,897**	**$ 44,640**	**$ 48,858**	**$ 44,667**

Source: Capital IQ

Exhibit A - Reported Balance Sheets: Deutsche Post AG

In Millions of U.S. Dollars	As of					
	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	9/30/2014
Accounts Payable	$ 6,967	$ 7,653	$ 8,013	$ 7,899	$ 8,803	$ 7,538
Accrued Expenses	1,157	951	1,439	1,094	1,139	0
Current Portion of Long-Term Debt and Capital Leases	1,061	1,002	7,332	531	1,829	743
Other Current Liabilities	8,535	8,126	7,408	7,121	7,339	8,080
Total Current Liabilities	**17,718**	**17,731**	**24,192**	**16,646**	**19,109**	**16,361**
Long-Term Debt	9,255	8,169	1,582	5,656	6,084	5,895
Capital Lease Obligations	345	245	192	162	267	0
Minority Interest	139	248	247	276	263	220
Other Liabilities	10,610	10,150	9,381	10,009	9,560	11,567
Total Long-Term Liabilities	**20,350**	**18,812**	**11,402**	**16,103**	**16,174**	**17,682**
Total Liabilities	**38,068**	**36,543**	**35,595**	**32,748**	**35,283**	**34,043**
Total Stockholders' Equity	**11,718**	**14,095**	**14,302**	**11,891**	**13,574**	**10,624**
Total Liabilities & Stockholders' Equity	**$ 49,786**	**$ 50,638**	**$ 49,897**	**$ 44,640**	**$ 48,858**	**$ 44,667**

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: Deutsche Post AG

In Millions of U.S. Dollars	For the Fiscal Year Ended 12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12 Months Ended 9/30/2014
Net Income	$ 923	$ 3,407	$ 1,511	$ 2,162	$ 2,880	$ 2,780
Depreciation and Amortization	1,810	1,535	1,464	1,601	1,659	1,478
Amortization of Deferred Charges	133	123	127	128	136	125
Non-Cash Items	(4,393)	(2,238)	(200)	(3,602)	(437)	(603)
Changes in Working Capital	689	(244)	178	(556)	(116)	(61)
Net Cash Provided by (Used in) Operating Activities	**(837)**	**2,584**	**3,080**	**(268)**	**4,123**	**3,719**
Capital Expenditures	(1,683)	(1,574)	(2,229)	(2,161)	(1,913)	(2,089)
Sale of Property, Plant, and Equipment	311	266	274	297	244	221
Other Investing Cash Flow Items, Total	(2,442)	1,774	522	(349)	(764)	(43)
Cash Acquisitions	(59)	(99)	(109)	(75)	(51)	1
Divestitures	(11)	(355)	75	51	44	5
Net Cash Provided by (Used in) Investing Activities	**(3,884)**	**11**	**(1,467)**	**(2,237)**	**(2,440)**	**(1,904)**
Net (Repayment) Issuance of Debt	4,079	(860)	(542)	3,102	1,392	(62)
Total Dividends Paid	(1,039)	(972)	(1,021)	(1,115)	(1,165)	(1,222)
Proceeds from Equity Issuance	0	(13)	(27)	63	(26)	(30)
Other Financing Activities, Total	(638)	(369)	(420)	(469)	(353)	(328)
Net Cash Provided by (Used in) Financing Activities	**2,402**	**(2,214)**	**(2,010)**	**1,581**	**(151)**	**(1,642)**
Foreign Exchange Effects	29	90	17	(20)	(140)	(101)
Miscellaneous Cash Flow Adjustment	0	0	0	(9)	10	0
Net Increase (Decrease) in Cash and Cash Equivalents	**$ (2,290)**	**$ 471**	**$ (379)**	**$ (953)**	**$ 1,401**	**$ 72**

Source: Capital IQ

Exhibit A - Reported Income Statements: Deutsche Post AG

In Millions of U.S. Dollars	For the Fiscal Year Ended										12 Months Ended	
	12/31/2009	%	12/31/2010	%	12/31/2011	%	12/31/2012	%	12/31/2013	%	9/30/2014	%
Net Sales	**$ 66,590**	100.0%	**$ 69,264**	100.0%	**$ 69,184**	100.0%	**$ 73,748**	100.0%	**$ 76,426**	100.0%	**$ 71,104**	100.0%
Growth Rate	*n/a*		*4.0%*		*-0.1%*		*6.6%*		*3.6%*		*-7.0%*	
Cost of Sales	61,962	93.1%	62,154	89.7%	61,803	89.3%	65,942	89.4%	67,733	88.6%	62,955	88.5%
Gross Profit	4,628	6.9%	7,111	10.3%	7,380	10.7%	7,805	10.6%	8,694	11.4%	8,149	11.5%
S,G&A Expenses	5,175	7.8%	4,575	6.6%	5,461	7.9%	5,277	7.2%	5,634	7.4%	5,331	7.5%
Operating Income	**(547)**	-0.8%	**2,536**	3.7%	**1,920**	2.8%	**2,529**	3.4%	**3,060**	4.0%	**2,818**	4.0%
Other Income (Expense)	1,489	2.2%	1,720	2.5%	705	1.0%	766	1.0%	727	1.0%	644	0.9%
EBIT	**942**	1.4%	**4,256**	6.1%	**2,624**	3.8%	**3,295**	4.5%	**3,787**	5.0%	**3,462**	4.9%
Interest Expense	(546)	-0.8%	(469)	-0.7%	(469)	-0.7%	(382)	-0.5%	(245)	-0.3%	(208)	-0.3%
Earnings Before Taxes	**396**	0.6%	**3,787**	5.5%	**2,155**	3.1%	**2,913**	3.9%	**3,542**	4.6%	**3,254**	4.6%
Income Taxes	(21)	0.0%	(260)	-0.4%	(511)	-0.7%	(589)	-0.8%	(497)	-0.7%	(321)	-0.5%
Minority Interest	(70)	-0.1%	(119)	-0.2%	(134)	-0.2%	(161)	-0.2%	(165)	-0.2%	(153)	-0.2%
Discountinued Operations	619	0.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Net Income	**$ 923**	1.4%	**$ 3,407**	4.9%	**$ 1,511**	2.2%	**$ 2,162**	2.9%	**$ 2,880**	3.8%	**$ 2,780**	3.9%

Source: Capital IQ

Exhibit A - Reported Balance Sheets: SUPERVALU Inc.

In Millions of U.S. Dollars

	2/26/2011	2/25/2012	2/23/2013	2/22/2014	11/29/2014
Cash and Equivalents	$ 172	$ 64	$ 72	$ 83	$ 418
Accounts Recievable	743	499	466	493	526
Inventory	2,270	908	854	861	1,122
Current Assets of Discontinued Operations	0	1,616	1,494	0	0
Other Current Assets	235	186	84	106	175
Total Current Assets	**3,420**	**3,273**	**2,970**	**1,543**	**2,241**
Net Property and Equipment	**6,604**	**2,099**	**1,700**	**1,497**	**1,469**
Goodwill	1,984	847	847	847	865
Intangibles	1,170	64	51	43	50
Deferred Tax Assets	0	268	345	287	309
Long-Term Assets of Discontinued Operations	0	5,428	4,977	0	0
Other Assets	580	122	144	157	144
Total Other Assets	**3,734**	**6,729**	**6,364**	**1,334**	**1,368**
Total Assets	**$ 13,758**	**$ 12,101**	**$ 11,034**	**$ 4,374**	**$ 5,078**

Source: Capital IQ

Exhibit A - Reported Balance Sheets: SUPERVALU Inc.

In Millions of U.S. Dollars

	2/26/2011	2/25/2012	2/23/2013	2/22/2014	11/29/2014
Accounts Payable	$ 1,747	$ 1,168	$ 1,089	$ 1,043	$ 1,201
Accrued Expenses	554	324	302	223	197
Short-Term Debt	360	0	0	0	0
Current Portion of Long-Term Debt and Capital Leases	403	345	74	45	384
Current Liabilities of Discontinued Operations	0	1,606	2,701	0	0
Other Current Liabilities	722	196	184	180	182
Total Current Liabilities	**3,786**	**3,639**	**4,350**	**1,491**	**1,964**
Long-Term Debt	6,348	2,881	2,540	2,486	2,617
Capital Lease Obligations	0	0	275	246	222
Minority Interest	0	0	0	0	9
Long-Term Liabilities of Discontinued Operations	0	3,986	3,791	0	0
Other Liabilities	2,284	1,574	1,493	889	922
Total Long-Term Liabilities	**8,632**	**8,441**	**8,099**	**3,621**	**3,770**
Total Liabilities	**12,418**	**12,080**	**12,449**	**5,112**	**5,734**
Total Stockholders' Equity	**1,340**	**21**	**(1,415)**	**(738)**	**(656)**
Total Liabilities & Stockholders' Equity	**$ 13,758**	**$ 12,101**	**$ 11,034**	**$ 4,374**	**$ 5,078**

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: SUPERVALU Inc.

In Millions of U.S. Dollars	2/26/2011	2/25/2012	2/23/2013	2/22/2014	12 Months Ended 11/29/2014
Net Income	$ (1,510)	$ (1,040)	$ (1,466)	$ 182	$ 179
Depreciation and Amortization	354	355	365	302	286
Non-Cash Items	2,341	1,817	1,964	(139)	(117)
Changes in Working Capital	(22)	(76)	35	(326)	41
Net Cash Provided by (Used in) Operating Activities	**1,163**	**1,056**	**898**	**19**	**389**
Capital Expenditures	(323)	(402)	(228)	(111)	(211)
Sale of Property, Plant, and Equipment	16	29	38	14	8
Other Investing Cash Flow Items, Total	80	(111)	(174)	146	13
Cash Acquisitions	0	0	0	0	(55)
Net Cash Provided by (Used in) Investing Activities	**(227)**	**(484)**	**(364)**	**49**	**(245)**
Net (Repayment) Issuance of Debt	25	(409)	(386)	(123)	206
Total Dividends Paid	(74)	(74)	(37)	0	0
Proceeds from Equity Issuance	(1)	0	0	177	6
Other Financing Activities, Total	(925)	(104)	(119)	(188)	(10)
Net Cash Provided by (Used in) Financing Activities	**(975)**	**(587)**	**(542)**	**(134)**	**202**
Net Increase (Decrease) in Cash and Cash Equivalents	**(39)**	**(15)**	**(8)**	**(66)**	**346**

Source: Capital IQ

Exhibit A - Reported Income Statements: SUPERVALU Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended								12 Months Ended	
	2/26/2011	%	2/25/2012	%	2/23/2013	%	2/22/2014	%	11/29/2014	%
Net Sales	**$ 17,357**	100.0%	**$ 17,383**	100.0%	**$ 17,139**	100.0%	**$ 17,155**	100.0%	**$ 17,411**	100.0%
Growth Rate	*n/a*		*0.1%*		*-1.4%*		*0.1%*		*1.5%*	
Cost of Sales	14,915	85.9%	14,857	85.5%	14,717	85.9%	14,560	84.9%	14,842	85.2%
Gross Profit	2,442	14.1%	2,526	14.5%	2,422	14.1%	2,595	15.1%	2,569	14.8%
S,G&A Expenses	2,351	13.5%	2,335	13.4%	2,286	13.3%	2,062	12.0%	2,096	12.0%
Operating Income	**91**	0.5%	**191**	1.1%	**136**	0.8%	**533**	3.1%	**473**	2.7%
Other Income (Expense)	(116)	-0.7%	(91)	-0.5%	(290)	-1.7%	(115)	-0.7%	0	0.0%
EBIT	**(25)**	-0.1%	**100**	0.6%	**(154)**	-0.9%	**418**	2.4%	**473**	2.7%
Interest Expense	(235)	-1.4%	(251)	-1.4%	(272)	-1.6%	(407)	-2.4%	(282)	-1.6%
Earnings Before Taxes	**(260)**	-1.5%	**(151)**	-0.9%	**(426)**	-2.5%	**11**	0.1%	**191**	1.1%
Income Taxes	60	0.3%	41	0.2%	163	1.0%	(5)	0.0%	(65)	-0.4%
Minority Interest	0	0.0%	0	0.0%	0	0.0%	0	0.0%	(1)	0.0%
Discountinued Operations	(1,310)	-7.5%	(930)	-5.4%	(1,203)	-7.0%	176	1.0%	54	0.3%
Net Income	**$ (1,510)**	-8.7%	**$ (1,040)**	-6.0%	**$ (1,466)**	-8.6%	**$ 182**	1.1%	**$ 179**	1.0%

Source: Capital IQ

Exhibit A - Reported Balance Sheets: The Kroger Co.

In Millions of U.S. Dollars	As of					
	1/30/2010	1/29/2011	1/28/2012	2/2/2013	2/1/2014	11/8/2014
Cash and Equivalents	$ 424	$ 825	$ 188	$ 238	$ 401	$ 264
Accounts Recievable	909	845	949	1,051	1,116	1,154
Inventory	4,935	4,966	5,114	5,146	5,651	6,130
Prepaid Expenses	261	319	288	569	704	396
Store Deposits in Transit	654	666	786	955	958	942
Other Current Assets	300	0	0	0	0	0
Total Current Assets	**7,483**	**7,621**	**7,325**	**7,959**	**8,830**	**8,886**
Net Property and Equipment	**13,929**	**14,147**	**14,464**	**14,848**	**16,893**	**17,586**
Goodwill	1,158	1,140	1,138	1,234	2,135	2,295
Intangibles	0	0	0	130	702	766
Long-Term Investments	26	45	25	45	51	129
Other Assets	530	552	524	418	670	560
Total Other Assets	**1,714**	**1,737**	**1,687**	**1,827**	**3,558**	**3,750**
Total Assets	**$ 23,126**	**$ 23,505**	**$ 23,476**	**$ 24,634**	**$ 29,281**	**$ 30,222**

Source: Capital IQ

Exhibit A - Reported Balance Sheets: The Kroger Co.

In Millions of U.S. Dollars	As of					
	1/30/2010	1/29/2011	1/28/2012	2/2/2013	2/1/2014	11/8/2014
Accounts Payable	$ 3,890	$ 4,227	$ 4,329	$ 4,484	$ 4,881	$ 5,400
Accrued Expenses	786	888	1,056	1,017	1,150	1,195
Current Portion of Long-Term Debt and Capital Leases	579	588	1,315	2,734	1,657	1,801
Deferred Income Taxes	354	220	190	288	248	248
Other Current Liabilities	2,118	2,147	2,215	2,538	2,769	3,036
Total Current Liabilities	**7,727**	**8,070**	**9,105**	**11,061**	**10,705**	**11,680**
Long-Term Debt	7,084	6,942	6,533	5,789	9,165	9,211
Capital Lease Obligations	393	362	358	365	490	524
Minority Interest	74	2	(15)	7	11	25
Pension & Other Post-Retirement Benefits	1,082	946	1,393	1,291	901	903
Other Liabilities	1,914	1,887	2,121	1,914	2,625	2,560
Total Long-Term Liabilities	**10,547**	**10,139**	**10,390**	**9,366**	**13,192**	**13,223**
Total Liabilities	**18,274**	**18,209**	**19,495**	**20,427**	**23,897**	**24,903**
Total Stockholders' Equity	**4,852**	**5,296**	**3,981**	**4,207**	**5,384**	**5,319**
Total Liabilities & Stockholders' Equity	**$ 23,126**	**$ 23,505**	**$ 23,476**	**$ 24,634**	**$ 29,281**	**$ 30,222**

Source: Capital IQ

A. Exhibits

Exhibit A - Reported Statements of Cash Flows: The Kroger Co.

In Millions of U.S. Dollars	For the Fiscal Year Ended 1/30/2010	1/29/2011	1/28/2012	2/2/2013	2/1/2014	12 Months Ended 11/8/2014
Net Income	$ 70	$ 1,116	$ 602	$ 1,497	$ 1,519	$ 1,632
Depreciation and Amortization	1,525	1,600	1,650	1,665	1,721	1,901
Non-Cash Items	1,586	306	420	441	385	351
Changes in Working Capital	(259)	344	(14)	(770)	(245)	48
Net Cash Provided by (Used in) Operating Activities	**2,922**	**3,366**	**2,658**	**2,833**	**3,380**	**3,932**
Capital Expenditures	(2,297)	(1,919)	(1,898)	(2,062)	(2,330)	(2,614)
Sale of Property, Plant, and Equipment	20	55	51	49	24	33
Other Investing Cash Flow Items, Total	(14)	(90)	(10)	(48)	(121)	(74)
Cash Acquisitions	(36)	(7)	(51)	(122)	(2,344)	(2,596)
Net Cash Provided by (Used in) Investing Activities	**(2,327)**	**(1,961)**	**(1,908)**	**(2,183)**	**(4,771)**	**(5,251)**
Net (Repayment) Issuance of Debt	(50)	(172)	295	814	2,286	2,930
Total Dividends Paid	(238)	(250)	(257)	(267)	(319)	(333)
Proceeds from Equity Issuance	(167)	(516)	(1,429)	(1,151)	(413)	(1,381)
Other Financing Activities, Total	21	(66)	4	4	0	23
Net Cash Provided by (Used in) Financing Activities	**(434)**	**(1,004)**	**(1,387)**	**(600)**	**1,554**	**1,239**
Net Increase (Decrease) in Cash and Cash Equivalents	**161**	**401**	**(637)**	**50**	**163**	**(80)**
Cash and Cash Equivalents at Beginning of Year	263	424	825	188	238	344
Cash and Cash Equivalents at End of Year	**$ 424**	**$ 825**	**$ 188**	**$ 238**	**$ 401**	**$ 264**

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Income Statements: The Kroger Co.

In Millions of U.S. Dollars	For the Fiscal Year Ended										12 Months Ended	
	1/30/2010	%	1/29/2011	%	1/28/2012	%	2/2/2013	%	2/1/2014	%	11/8/2014	%
Net Sales	**$ 76,609**	100.0%	**$ 82,049**	100.0%	**$ 90,269**	100.0%	**$ 96,619**	100.0%	**$ 98,375**	100.0%	**$ 106,480**	100.0%
Growth Rate	*n/a*		*7.1%*		*10.0%*		*7.0%*		*1.8%*		*8.2%*	
Cost of Sales	58,319	76.1%	63,270	77.1%	70,857	78.5%	76,173	78.8%	77,551	78.8%	83,775	78.7%
Gross Profit	18,290	23.9%	18,779	22.9%	19,412	21.5%	20,446	21.2%	20,824	21.2%	22,705	21.3%
S,G&A Expenses	16,038	20.9%	16,554	20.2%	18,097	20.0%	17,664	18.3%	18,060	18.4%	19,723	18.5%
Operating Income	**2,252**	2.9%	**2,225**	2.7%	**1,315**	1.5%	**2,782**	2.9%	**2,764**	2.8%	**2,982**	2.8%
Other Income (Expense)	(1,161)	-1.5%	(43)	-0.1%	(37)	0.0%	(18)	0.0%	(39)	0.0%	(39)	0.0%
EBIT	**1,091**	1.4%	**2,182**	2.7%	**1,278**	1.4%	**2,764**	2.9%	**2,725**	2.8%	**2,943**	2.8%
Interest Expense	(502)	-0.7%	(448)	-0.5%	(435)	-0.5%	(462)	-0.5%	(443)	-0.5%	(480)	-0.5%
Earnings Before Taxes	**589**	0.8%	**1,734**	2.1%	**843**	0.9%	**2,302**	2.4%	**2,282**	2.3%	**2,463**	2.3%
Income Taxes	(532)	-0.7%	(601)	-0.7%	(247)	-0.3%	(794)	-0.8%	(751)	-0.8%	(812)	-0.8%
Minority Interest	13	0.0%	(17)	0.0%	6	0.0%	(11)	0.0%	(12)	0.0%	(19)	0.0%
Net Income	**$ 70**	0.1%	**$ 1,116**	1.4%	**$ 602**	0.7%	**$ 1,497**	1.5%	**$ 1,519**	1.5%	**$ 1,632**	1.5%

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Roundy's, Inc.

In Millions of U.S. Dollars	As of					
	1/2/2010	1/1/2011	12/31/2011	12/29/2012	12/28/2013	9/27/2014
Cash and Equivalents	$ 75	$ 36	$ 87	$ 73	$ 82	$ 47
Accounts Recievable	32	37	32	33	39	37
Other Receivables	1	0	0	0	2	4
Inventory	250	258	287	293	302	299
Prepaid Expenses	16	17	19	10	10	7
Other Current Assets	11	10	6	5	14	16
Total Current Assets	**385**	**359**	**431**	**414**	**449**	**410**
Net Property and Equipment	**320**	**310**	**310**	**314**	**343**	**322**
Goodwill	728	727	727	606	610	298
Intangibles	37	35	33	31	43	0
Other Assets	11	16	12	16	17	60
Total Other Assets	**777**	**778**	**772**	**652**	**670**	**358**
Total Assets	**$ 1,482**	**$ 1,447**	**$ 1,513**	**$ 1,380**	**$ 1,462**	**$ 1,090**

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Balance Sheets: Roundy's, Inc.

In Millions of U.S. Dollars	As of					
	1/2/2010	1/1/2011	12/31/2011	12/29/2012	12/28/2013	9/27/2014
Accounts Payable	$ 240	$ 165	$ 245	$ 240	$ 252	$ 226
Accrued Expenses	105	98	91	80	85	94
Current Portion of Long-Term Debt and Capital Leases	11	64	11	11	5	6
Other Current Liabilities	0	2	4	2	1	12
Total Current Liabilities	**355**	**330**	**351**	**334**	**342**	**338**
Long-Term Debt	806	820	809	686	707	651
Capital Lease Obligations	0	0	0	0	32	0
Other Liabilities	135	144	175	167	155	167
Total Long-Term Liabilities	**941**	**964**	**984**	**853**	**893**	**818**
Total Liabilities	**1,296**	**1,294**	**1,336**	**1,187**	**1,235**	**1,156**
Total Stockholders' Equity	**186**	**153**	**177**	**193**	**226**	**(67)**
Total Liabilities & Stockholders' Equity	**$ 1,482**	**$ 1,447**	**$ 1,513**	**$ 1,380**	**$ 1,462**	**$ 1,090**

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: Roundy's, Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended					12 Months Ended
	1/2/2010	1/1/2011	12/31/2011	12/29/2012	12/28/2013	9/27/2014
Net Income	$ 47	$ 46	$ 48	$ (69)	$ 35	$ (307)
Depreciation and Amortization	79	72	69	66	65	71
Amortization of Deferred Charges	2	3	4	4	7	8
Non-Cash Items	48	16	22	131	8	293
Changes in Working Capital	(1)	(97)	39	(26)	(11)	(7)
Net Cash Provided by (Used in) Operating Activities	**175**	**41**	**182**	**106**	**104**	**58**
Capital Expenditures	(76)	(63)	(66)	(62)	(67)	(105)
Sale of Property, Plant, and Equipment	1	6	1	0	1	1
Other Investing Cash Flow Items, Total	0	0	0	0	0	77
Cash Acquisitions	(18)	(1)	0	0	(36)	(36)
Net Cash Provided by (Used in) Investing Activities	**(94)**	**(58)**	**(66)**	**(62)**	**(103)**	**(63)**
Net (Repayment) Issuance of Debt	(10)	136	(64)	(127)	35	(27)
Total Dividends Paid	0	0	0	(26)	(22)	(6)
Proceeds from Issuance of Common Stock	(4)	(2)	(0)	113	0	19
Proceeds from Issuance of Preferred Stock	(1)	0	0	0	0	0
Other Financing Activities, Total	(85)	(156)	(1)	(18)	(6)	(12)
Net Cash Provided by (Used in) Financing Activities	**(99)**	**(21)**	**(66)**	**(58)**	**8**	**(25)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(18)**	**(38)**	**51**	**(14)**	**9**	**(31)**
Cash and Cash Equivalents at Beginning of Year	n/a	75	36	87	73	78
Cash and Cash Equivalents at End of Year	**$ 75**	**$ 36**	**$ 87**	**$ 73**	**$ 82**	**$ 47**

Source: Capital IQ

Exhibit A - Reported Income Statements: Roundy's, Inc.

In Millions of U.S. Dollars	For the Fiscal Year Ended 1/2/2010	%	1/1/2011	%	12/31/2011	%	12/29/2012	%	12/28/2013	%	12 Months Ended 9/27/2014	%
Net Sales	**$ 3,746**	100.0%	**$ 3,767**	100.0%	**$ 3,842**	100.0%	**$ 3,891**	100.0%	**$ 3,950**	100.0%	**$ 4,229**	100.0%
Growth Rate	*n/a*		*0.6%*		*2.0%*		*1.3%*		*1.5%*		*7.1%*	
Cost of Sales	2,727	72.8%	2,749	73.0%	2,805	73.0%	2,855	73.4%	2,899	73.4%	3,098	73.2%
Gross Profit	1,019	27.2%	1,018	27.0%	1,037	27.0%	1,035	26.6%	1,051	26.6%	1,132	26.8%
S,G&A Expenses	877	23.4%	869	23.1%	887	23.1%	908	23.3%	948	24.0%	1,061	25.1%
Operating Income	**143**	3.8%	**149**	4.0%	**150**	3.9%	**127**	3.3%	**103**	2.6%	**71**	1.7%
Other Income (Expense)	(6)	-0.2%	0	0.0%	0	0.0%	(134)	-3.4%	0	0.0%	(296)	-7.0%
EBIT	**137**	3.6%	**149**	4.0%	**150**	3.9%	**(7)**	-0.2%	**103**	2.6%	**(225)**	-5.3%
Interest Expense	(49)	-1.3%	(70)	-1.8%	(72)	-1.9%	(51)	-1.3%	(52)	-1.3%	(62)	-1.5%
Earnings Before Taxes	**88**	2.3%	**79**	2.1%	**78**	2.0%	**(58)**	-1.5%	**51**	1.3%	**(287)**	-6.8%
Income Taxes	(41)	-1.1%	(33)	-0.9%	(30)	-0.8%	(11)	-0.3%	(17)	-0.4%	39	0.9%
Discountinued Operations	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	(59)	-1.4%
Net Income	**$ 47**	1.3%	**$ 46**	1.2%	**$ 48**	1.3%	**$ (69)**	-1.8%	**$ 35**	0.9%	**$ (307)**	-7.3%

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Balance Sheets: SpartanNash Company

In Millions of U.S. Dollars	As of					
	3/27/2010	3/26/2011	3/31/2012	3/30/2013	12/28/2013	10/4/2014
Cash and Equivalents	$ 9	$ 44	$ 26	$ 6	$ 9	$ 8
Accounts Recievable	55	56	59	61	287	305
Inventory	118	104	100	125	590	613
Prepaid Expenses	9	6	9	12	39	34
Other Current Assets	6	3	15	2	0	11
Total Current Assets	**196**	**213**	**210**	**206**	**926**	**971**
Net Property and Equipment	**248**	**241**	**257**	**272**	**651**	**596**
Goodwill	248	241	240	247	306	297
Intangibles	12	10	8	9	14	25
Other Assets	49	46	49	56	101	101
Total Other Assets	**309**	**297**	**297**	**311**	**421**	**423**
Total Assets	**$ 753**	**$ 751**	**$ 763**	**$ 790**	**$ 1,999**	**$ 1,991**

Source: Capital IQ

Exhibit A - Reported Balance Sheets: SpartanNash Company

In Millions of U.S. Dollars	As of					
	3/27/2010	3/26/2011	3/31/2012	3/30/2013	12/28/2013	10/4/2014
Accounts Payable	$ 115	$ 101	$ 108	$ 121	$ 365	$ 411
Accrued Expenses	53	56	60	68	140	108
Current Portion of Long-Term Debt and Capital Leases	4	4	4	4	7	7
Other Current Liabilities	9	4	12	0	24	23
Total Current Liabilities	**180**	**166**	**185**	**193**	**536**	**550**
Long-Term Debt	182	172	134	146	536	550
Capital Lease Obligations	0	0	0	0	61	0
Other Liabilities	117	108	121	115	158	148
Total Long-Term Liabilities	**299**	**280**	**255**	**261**	**756**	**697**
Total Liabilities	**480**	**446**	**440**	**454**	**1,292**	**1,247**
Total Stockholders' Equity	**274**	**306**	**324**	**336**	**707**	**744**
Total Liabilities & Stockholders' Equity	**$ 753**	**$ 751**	**$ 763**	**$ 790**	**$ 1,999**	**$ 1,991**

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: SpartanNash Company

In Millions of U.S. Dollars	For the Fiscal Year Ended					12 Months Ended
	3/27/2010	3/26/2011	3/31/2012	3/30/2013	12/28/2013	10/4/2014
Net Income	$ 26	$ 32	$ 32	$ 27	$ 1	$ 25
Depreciation and Amortization	35	35	37	39	50	86
Amortization of Deferred Charges	4	3	4	3	0	(0)
Non-Cash Items	23	22	28	7	36	50
Changes in Working Capital	2	(6)	(6)	(18)	(1)	(14)
Net Cash Provided by (Used in) Operating Activities	**89**	**87**	**94**	**59**	**86**	**147**
Capital Expenditures	(50)	(33)	(43)	(42)	(50)	(78)
Sale of Property, Plant, and Equipment	0	0	1	2	2	7
Other Investing Cash Flow Items, Total	(1)	1	(1)	0	(1)	(2)
Cash Acquisitions	(6)	(1)	(0)	(14)	(28)	(28)
Net Cash Provided by (Used in) Investing Activities	**(58)**	**(33)**	**(44)**	**(53)**	**(76)**	**(101)**
Net (Repayment) Issuance of Debt	(24)	(15)	(50)	(6)	14	(10)
Total Dividends Paid	(4)	(5)	(6)	(7)	(8)	(16)
Proceeds from Equity Issuance	0	0	(11)	(11)	0	(2)
Other Financing Activities, Total	0	0	0	(2)	(12)	(12)
Net Cash Provided by (Used in) Financing Activities	**(28)**	**(19)**	**(67)**	**(26)**	**(5)**	**(40)**
Net Increase (Decrease) in Cash and Cash Equivalents	**3**	**35**	**(17)**	**(20)**	**4**	**6**
Cash and Cash Equivalents at Beginning of Year	7	9	44	26	6	2
Cash and Cash Equivalents at End of Year	**$ 9**	**$ 44**	**$ 26**	**$ 6**	**$ 9**	**$ 8**

Source: Capital IQ

A. Exhibits

Exhibit A - Reported Income Statements: SpartanNash Company

In Millions of U.S. Dollars	For the Fiscal Year Ended [a]										12 Months Ended	
	3/27/2010	%	3/26/2011	%	3/31/2012	%	3/30/2013	%	12/28/2013	%	10/4/2014	%
Net Sales	**$ 2,552**	100.0%	**$ 2,533**	100.0%	**$ 2,634**	100.0%	**$ 2,608**	100.0%	**$ 3,463**	100.0%	**$ 7,355**	100.0%
Growth Rate	*n/a*		*-0.7%*		*4.0%*		*-1.0%*		*32.8%*		*112.4%*	
Cost of Sales	1,993	78.1%	1,980	78.2%	2,078	78.9%	2,063	79.1%	2,814	81.3%	6,268	85.2%
Gross Profit	559	21.9%	553	21.8%	556	21.1%	546	20.9%	649	18.7%	1,087	14.8%
S,G&A Expenses	494	19.4%	488	19.3%	488	18.5%	483	18.5%	578	16.7%	972	13.2%
Operating Income	**65**	2.5%	**65**	2.6%	**68**	2.6%	**63**	2.4%	**71**	2.1%	**115**	1.6%
Other Income (Expense)	(6)	-0.2%	3	0.1%	(1)	0.0%	(6)	-0.2%	(56)	-1.6%	(52)	-0.7%
EBIT	**59**	2.3%	**68**	2.7%	**67**	2.5%	**57**	2.2%	**15**	0.4%	**63**	0.9%
Interest Expense	(16)	-0.6%	(15)	-0.6%	(15)	-0.6%	(13)	-0.5%	(12)	-0.4%	(22)	-0.3%
Earnings Before Taxes	**42**	1.7%	**53**	2.1%	**52**	2.0%	**43**	1.7%	**3**	0.1%	**41**	0.6%
Income Taxes	(16)	-0.6%	(20)	-0.8%	(20)	-0.7%	(15)	-0.6%	(1)	0.0%	(15)	-0.2%
Discountinued Operations	(0)	0.0%	(0)	0.0%	(0)	0.0%	(0)	0.0%	(1)	0.0%	(1)	0.0%
Net Income	**$ 26**	1.0%	**$ 32**	1.3%	**$ 32**	1.2%	**$ 27**	1.1%	**$ 1**	0.0%	**$ 25**	0.3%

[a] Data for the year ended December 28, 2013 is annualized based on nine-months actual financial performance.

Source: Capital IQ

Exhibit A - Reported Balance Sheets: Grupo Bimbo, S.A.B. de C.V.

In Millions of U.S. Dollars	As of					
	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	9/30/2014
Cash and Equivalents	$ 381	$ 269	$ 284	$ 330	$ 191	$ 268
Accounts Recievable	518	562	816	847	838	968
Other Receivables	433	501	444	408	373	411
Inventory	227	254	357	354	361	353
Prepaid Expenses	38	0	0	0	0	0
Other Current Assets	11	52	140	152	166	172
Total Current Assets	**1,610**	**1,637**	**2,043**	**2,091**	**1,930**	**2,173**
Net Property and Equipment	**2,509**	**2,594**	**3,043**	**3,236**	**3,261**	**3,552**
Goodwill	1,562	1,642	2,299	2,292	2,279	3,584
Intangibles	1,501	1,574	2,022	2,056	2,061	2,098
Long-Term Investments	125	158	159	206	216	249
Deferred Tax Assets	49	125	545	466	413	423
Other Assets	276	295	163	217	135	140
Total Other Assets	**3,513**	**3,793**	**5,189**	**5,238**	**5,103**	**6,493**
Total Assets	**$ 7,631**	**$ 8,025**	**$ 10,274**	**$ 10,564**	**$ 10,294**	**$ 12,219**

Source: Capital IQ

Exhibit A - Reported Balance Sheets: Grupo Bimbo, S.A.B. de C.V.

In Millions of U.S. Dollars	As of					
	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	9/30/2014
Accounts Payable	$ 886	$ 1,058	$ 717	$ 777	$ 777	$ 768
Accrued Expenses	49	57	139	159	163	56
Current Portion of Long-Term Debt and Capital Leases	359	132	294	121	658	111
Other Current Liabilities	272	51	731	912	944	1,451
Total Current Liabilities	**1,565**	**1,297**	**1,882**	**1,969**	**2,543**	**2,385**
Long-Term Debt	2,461	2,577	3,150	3,184	2,488	4,388
Minority Interest	65	67	146	179	165	121
Other Liabilities	469	543	1,750	1,786	1,612	1,674
Total Long-Term Liabilities	**2,995**	**3,187**	**5,045**	**5,149**	**4,266**	**6,184**
Total Liabilities	**4,560**	**4,484**	**6,927**	**7,118**	**6,809**	**8,569**
Total Stockholders' Equity	**3,071**	**3,541**	**3,347**	**3,446**	**3,486**	**3,649**
Total Liabilities & Stockholders' Equity	**$ 7,631**	**$ 8,025**	**$ 10,274**	**$ 10,564**	**$ 10,294**	**$ 12,219**

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: Grupo Bimbo, S.A.B. de C.V.

In Millions of U.S. Dollars	For the Fiscal Year Ended					12 Months Ended
	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	9/30/2014
Net Income	$ 456	$ 437	$ 350	$ 156	$ 337	$ 399
Depreciation and Amortization	290	330	308	421	401	417
Non-Cash Items	478	421	459	430	516	494
Changes in Working Capital	(194)	(300)	(59)	68	(383)	(154)
Net Cash Provided by (Used in) Operating Activities	**1,030**	**888**	**1,058**	**1,076**	**871**	**1,156**
Capital Expenditures	(277)	(331)	(461)	(524)	(517)	(492)
Sale of Property, Plant, and Equipment	35	9	49	24	56	55
Other Investing Cash Flow Items, Total	(8)	38	10	(37)	42	41
Cash Acquisitions	(2,691)	(163)	(990)	0	(11)	(1,651)
Net Cash Provided by (Used in) Investing Activities	**(2,940)**	**(447)**	**(1,393)**	**(536)**	**(429)**	**(2,046)**
Net (Repayment) Issuance of Debt	2,001	(259)	594	(288)	(113)	1,253
Total Dividends Paid	(41)	(48)	(46)	(54)	(185)	(123)
Proceeds from Equity Issuance	0	0	(0)	0	0	0
Net Cash Provided by (Used in) Financing Activities	**1,731**	**(569)**	**370**	**(521)**	**(558)**	**864**
Foreign Exchange Effects	(1)	(6)	10	4	(19)	(71)
Net Increase (Decrease) in Cash and Cash Equivalents	**$ (181)**	**$ (134)**	**$ 46**	**$ 24**	**$ (136)**	**$ (97)**

Source: Capital IQ

Exhibit A - Reported Income Statements: Grupo Bimbo, S.A.B. de C.V.

In Millions of U.S. Dollars	For the Fiscal Year Ended										12 Months Ended	
	12/31/2009	%	12/31/2010	%	12/31/2011	%	12/31/2012	%	12/31/2013	%	9/30/2014	%
Net Sales	**$ 8,909**	100.0%	**$ 9,490**	100.0%	**$ 9,575**	100.0%	**$ 13,337**	100.0%	**$ 13,451**	100.0%	**$ 13,730**	100.0%
Growth Rate	*n/a*		*6.5%*		*0.9%*		*39.3%*		*0.9%*		*2.1%*	
Cost of Sales	4,206	47.2%	4,481	47.2%	4,691	49.0%	6,575	49.3%	6,414	47.7%	6,425	46.8%
Gross Profit	4,703	52.8%	5,010	52.8%	4,885	51.0%	6,762	50.7%	7,037	52.3%	7,305	53.2%
S,G&A Expenses	3,776	42.4%	4,081	43.0%	4,196	43.8%	5,942	44.6%	6,005	44.6%	6,223	45.3%
Operating Income	**926**	10.4%	**928**	9.8%	**689**	7.2%	**820**	6.1%	**1,032**	7.7%	**1,081**	7.9%
Other Income (Expense)	(67)	-0.8%	(34)	-0.4%	85	0.9%	(207)	-1.6%	(207)	-1.5%	(181)	-1.3%
EBIT	**860**	9.6%	**894**	9.4%	**774**	8.1%	**613**	4.6%	**825**	6.1%	**900**	6.6%
Interest Expense	(177)	-2.0%	(254)	-2.7%	(198)	-2.1%	(257)	-1.9%	(240)	-1.8%	(256)	-1.9%
Earnings Before Taxes	**682**	7.7%	**640**	6.7%	**576**	6.0%	**356**	2.7%	**585**	4.3%	**643**	4.7%
Income Taxes	(216)	-2.4%	(191)	-2.0%	(203)	-2.1%	(169)	-1.3%	(220)	-1.6%	(224)	-1.6%
Minority Interest	(10)	-0.1%	(12)	-0.1%	(24)	-0.2%	(31)	-0.2%	(29)	-0.2%	(21)	-0.2%
Net Income	**$ 456**	5.1%	**$ 437**	4.6%	**$ 350**	3.7%	**$ 156**	1.2%	**$ 337**	2.5%	**$ 399**	2.9%

Source: Capital IQ

Exhibit A - Reported Balance Sheets: Dean Foods Company

In Millions of U.S. Dollars	As of			
	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Cash and Equivalents	$ 116	$ 25	$ 17	$ 16
Accounts Recievable	873	776	752	748
Other Receivables	25	10	16	64
Inventory	385	261	263	252
Prepaid Expenses	59	34	37	45
Assets of Discontinued Operations	669	2,794	0	0
Other Current Assets	112	81	66	54
Total Current Assets	**2,239**	**3,981**	**1,151**	**1,180**
Net Property and Equipment	**1,936**	**1,249**	**1,216**	**1,173**
Goodwill	849	87	87	87
Intangibles	635	257	245	243
Long-Term Investments	0	0	0	0
Deferred Tax Assets	0	50	36	35
Other Assets	96	74	67	52
Total Other Assets	**1,580**	**468**	**435**	**417**
Total Assets	**$ 5,755**	**$ 5,698**	**$ 2,802**	**$ 2,770**

Source: Capital IQ

Exhibit A - Reported Balance Sheets: Dean Foods Company

In Millions of U.S. Dollars	As of			
	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Accounts Payable	$ 696	$ 509	$ 505	$ 534
Accrued Expenses	390	385	256	237
Current Portion of Long-Term Debt and Capital Leases	241	28	1	1
Other Current Liabilities	198	1,488	19	23
Total Current Liabilities	**1,524**	**2,410**	**781**	**794**
Long-Term Debt	3,606	2,322	897	916
Minority Interest	5	102	0	0
Other Liabilities	724	505	410	431
Total Long-Term Liabilities	**4,335**	**2,930**	**1,307**	**1,348**
Total Liabilities	**5,859**	**5,340**	**2,088**	**2,142**
Total Stockholders' Equity	**(103)**	**357**	**714**	**627**
Total Liabilities & Stockholders' Equity	**$ 5,755**	**$ 5,698**	**$ 2,802**	**$ 2,770**

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: Dean Foods Company

In Millions of U.S. Dollars	For the Fiscal Year Ended			
	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Net Income	$ (1,576)	$ 159	$ 813	$ (20)
Depreciation and Amortization	190	187	174	164
Amortization of Deferred Charges	0	4	7	0
Non-Cash Items	1,689	172	(688)	95
Changes in Working Capital	136	(38)	(622)	(87)
Net Cash Provided by (Used in) Operating Activities	**439**	**482**	**(317)**	**153**
Capital Expenditures	(178)	(124)	(175)	(149)
Sale of Property, Plant, and Equipment	7	13	10	28
Other Investing Cash Flow Items, Total	(48)	(63)	1,403	0
Divestitures	92	0	0	0
Net Cash Provided by (Used in) Investing Activities	**(128)**	**(174)**	**1,238**	**(122)**
Net (Repayment) Issuance of Debt	(340)	(1,407)	(840)	18
Total Dividends Paid	0	0	0	(26)
Proceeds from Equity Issuance	4	6	23	(17)
Other Financing Activities, Total	43	1,099	(113)	(4)
Net Cash Provided by (Used in) Financing Activities	**(294)**	**(302)**	**(930)**	**(30)**
Foreign Exchange Effects	(1)	1	0	(2)
Net Increase (Decrease) in Cash and Cash Equivalents	**$ 16**	**$ 7**	**$ (8)**	**$ (0)**

Source: Capital IQ

Exhibit A - Reported Income Statements: Dean Foods Company

In Millions of U.S. Dollars	For the Fiscal Year Ended							
	12/31/2011	%	12/31/2012	%	12/31/2013	%	12/31/2014	%
Net Sales	**$ 9,716**	100.0%	$ **9,275**	100.0%	**$ 9,016**	100.0%	$ **9,503**	100.0%
Growth Rate	*n/a*		*-4.5%*		*-2.8%*		*5.4%*	
Cost of Sales	7,618	78.4%	7,179	77.4%	7,162	79.4%	7,830	82.4%
Gross Profit	2,097	21.6%	2,095	22.6%	1,855	20.6%	1,673	17.6%
S,G&A Expenses	1,935	19.9%	1,837	19.8%	1,654	18.3%	1,642	17.3%
Operating Income	**163**	1.7%	**258**	2.8%	**200**	2.2%	**31**	0.3%
Other Income (Expense)	(2,237)	-23.0%	4	0.0%	283	3.1%	(23)	-0.2%
EBIT	**(2,074)**	-21.4%	**262**	2.8%	**484**	5.4%	**9**	0.1%
Interest Expense	(177)	-1.8%	(151)	-1.6%	(201)	-2.2%	(61)	-0.6%
Earnings Before Taxes	**(2,252)**	-23.2%	**112**	1.2%	**283**	3.1%	**(52)**	-0.6%
Income Taxes	524	5.4%	(88)	-0.9%	42	0.5%	32	0.3%
Minority Interest	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Discountinued Operations	153	1.6%	135	1.5%	488	5.4%	(0)	0.0%
Net Income	**$ (1,576)**	-16.2%	**$ 159**	1.7%	**$ 813**	9.0%	**$ (20)**	-0.2%

Source: Capital IQ

Exhibit A - Reported Balance Sheets: Kellogg Company

In Millions of U.S. Dollars	As of					
	1/2/2010	1/1/2011	12/31/2011	12/29/2012	12/28/2013	9/27/2014
Cash and Equivalents	$ 334	$ 444	$ 460	$ 281	$ 273	$ 426
Accounts Recievable	942	883	983	1,179	1,226	1,565
Other Receivables	151	307	205	275	198	0
Inventory	910	1,056	1,174	1,365	1,248	1,208
Prepaid Expenses	93	115	98	128	127	152
Other Current Assets	128	110	149	152	195	221
Total Current Assets	**2,558**	**2,915**	**3,069**	**3,380**	**3,267**	**3,572**
Net Property and Equipment	**3,010**	**3,128**	**3,281**	**3,782**	**3,856**	**3,790**
Goodwill	3,643	3,628	3,623	5,038	5,051	5,021
Intangibles	1,458	1,456	1,454	2,359	2,367	2,327
Long-Term Investments	0	69	0	0	0	0
Other Assets	531	651	516	610	933	1,062
Total Other Assets	**5,632**	**5,804**	**5,593**	**8,007**	**8,351**	**8,410**
Total Assets	**$ 11,200**	**$ 11,847**	**$ 11,943**	**$ 15,169**	**$ 15,474**	**$ 15,772**

Source: Capital IQ

Exhibit A - Reported Balance Sheets: Kellogg Company

In Millions of U.S. Dollars	As of					
	1/2/2010	1/1/2011	12/31/2011	12/29/2012	12/28/2013	9/27/2014
Accounts Payable	$ 1,077	$ 1,149	$ 1,189	$ 1,402	$ 1,432	$ 1,466
Accrued Expenses	731	558	652	783	803	790
Short-Term Debt	44	44	234	1,065	739	1,079
Current Portion of Long-Term Debt and Capital Leases	1	952	761	755	289	632
Other Current Liabilities	435	481	477	518	572	695
Total Current Liabilities	**2,288**	**3,184**	**3,313**	**4,523**	**3,835**	**4,662**
Long-Term Debt	4,835	4,908	5,037	6,082	6,330	6,001
Minority Interest	3	(4)	2	61	62	62
Other Liabilities	1,802	1,601	1,795	2,099	1,702	1,664
Total Long-Term Liabilities	**6,640**	**6,505**	**6,834**	**8,242**	**8,094**	**7,727**
Total Liabilities	**8,928**	**9,689**	**10,147**	**12,765**	**11,929**	**12,389**
Total Stockholders' Equity	**2,272**	**2,158**	**1,796**	**2,404**	**3,545**	**3,383**
Total Liabilities & Stockholders' Equity	**$ 11,200**	**$ 11,847**	**$ 11,943**	**$ 15,169**	**$ 15,474**	**$ 15,772**

Source: Capital IQ

Exhibit A - Reported Statements of Cash Flows: Kellogg Company

In Millions of U.S. Dollars	For the Fiscal Year Ended					12 Months Ended
	1/2/2010	1/1/2011	12/31/2011	12/29/2012	12/28/2013	9/27/2014
Net Income	$ 1,212	$ 1,287	$ 866	$ 961	$ 1,807	$ 1,743
Depreciation and Amortization	384	392	369	431	528	563
Non-Cash Items	(131)	(314)	282	205	(779)	(887)
Changes in Working Capital	178	(357)	78	161	251	176
Net Cash Provided by (Used in) Operating Activities	**1,643**	**1,008**	**1,595**	**1,758**	**1,807**	**1,595**
Capital Expenditures	(377)	(474)	(594)	(533)	(637)	(629)
Other Investing Cash Flow Items, Total	7	9	7	(44)	(4)	4
Cash Acquisitions	0	0	0	(2,668)	0	0
Net Cash Provided by (Used in) Investing Activities	**(370)**	**(465)**	**(587)**	**(3,245)**	**(641)**	**(625)**
Net (Repayment) Issuance of Debt	(585)	985	139	1,773	(443)	314
Total Dividends Paid	(546)	(584)	(604)	(622)	(653)	(672)
Proceeds from Equity Issuance	(56)	(848)	(507)	166	(69)	(501)
Other Financing Activities, Total	5	8	15	0	24	12
Net Cash Provided by (Used in) Financing Activities	**(1,182)**	**(439)**	**(957)**	**1,317**	**(1,141)**	**(847)**
Foreign Exchange Effects	(12)	6	(35)	(9)	(33)	3
Net Increase (Decrease) in Cash and Cash Equivalents	**79**	**110**	**16**	**(179)**	**(8)**	**126**
Cash and Cash Equivalents at Beginning of Year	255	334	444	460	281	300
Cash and Cash Equivalents at End of Year	**$ 334**	**$ 444**	**$ 460**	**$ 281**	**$ 273**	**$ 426**

Source: Capital IQ

A. EXHIBITS

Exhibit A - Reported Income Statements: Kellogg Company

In Millions of U.S. Dollars	For the Fiscal Year Ended										12 Months Ended	
	1/2/2010	%	1/1/2011	%	12/31/2011	%	12/29/2012	%	12/28/2013	%	9/27/2014	%
Net Sales	**$ 12,575**	100.0%	**$ 12,397**	100.0%	**$ 13,198**	100.0%	**$ 14,197**	100.0%	**$ 14,792**	100.0%	**$ 14,567**	100.0%
Growth Rate	*n/a*		*-1.4%*		*6.5%*		*7.6%*		*4.2%*		*-1.5%*	
Cost of Sales	7,144	56.8%	7,043	56.8%	8,010	60.7%	8,717	61.4%	8,479	57.3%	8,270	56.8%
Gross Profit	5,431	43.2%	5,354	43.2%	5,188	39.3%	5,480	38.6%	6,313	42.7%	6,297	43.2%
S,G&A Expenses	3,365	26.8%	3,270	26.4%	3,700	28.0%	3,786	26.7%	3,165	21.4%	3,105	21.3%
Operating Income	**2,066**	16.4%	**2,084**	16.8%	**1,488**	11.3%	**1,694**	11.9%	**3,148**	21.3%	**3,192**	21.9%
Other Income (Expense)	(87)	-0.7%	(46)	-0.4%	(71)	-0.5%	(109)	-0.8%	(313)	-2.1%	(466)	-3.2%
EBIT	**1,979**	15.7%	**2,038**	16.4%	**1,417**	10.7%	**1,585**	11.2%	**2,835**	19.2%	**2,726**	18.7%
Interest Expense	(295)	-2.3%	(248)	-2.0%	(233)	-1.8%	(261)	-1.8%	(235)	-1.6%	(214)	-1.5%
Earnings Before Taxes	**1,684**	13.4%	**1,790**	14.4%	**1,184**	9.0%	**1,324**	9.3%	**2,600**	17.6%	**2,512**	17.2%
Income Taxes	(476)	-3.8%	(510)	-4.1%	(320)	-2.4%	(363)	-2.6%	(792)	-5.4%	(767)	-5.3%
Minority Interest	4	0.0%	7	0.1%	2	0.0%	0	0.0%	(1)	0.0%	(2)	0.0%
Net Income	**$ 1,212**	9.6%	**$ 1,287**	10.4%	**$ 866**	6.6%	**$ 961**	6.8%	**$ 1,807**	12.2%	**$ 1,743**	12.0%

Source: Capital IQ

Exhibit A - Reported Balance Sheets: Associated Wholesale Grocers, Inc.

In Millions of U.S. Dollars	As of		
	12/29/2012	12/29/2013	12/27/2014
Cash and Equivalents	$ 81	$ 172	$ 154
Restricted Cash	18	0	0
Accounts Recievable	199	226	266
Notes Receivable	7	7	12
Total Inventory	376	457	430
Deferred Income Taxes	15	18	22
Other Current Assets	16	19	23
Total Current Assets	**713**	**898**	**907**
Net Property and Equipment	**375**	**380**	**374**
Intangibles	11	10	9
Long-Term Investments	1	1	1
Notes Receivable	20	23	23
Deferred Income Taxes	0	0	1
Other Assets	30	52	44
Total Other Assets	**62**	**85**	**79**
Total Assets	**$ 1,150**	**$ 1,363**	**$ 1,359**

Source: Associated Wholesale Grocers Annual Reports

Exhibit A - Reported Balance Sheets: Associated Wholesale Grocers, Inc.

In Millions of U.S. Dollars

	12/29/2012	12/29/2013	12/27/2014
Accounts Payable	$ 349	$ 539	$ 495
Accrued Expenses	81	93	104
Current Portion of Long-Term Debt and Capital Leases	0	0	0
Other Current Liabilities	110	115	140
Total Current Liabilities	**540**	**748**	**738**
Long-Term Debt	196	149	133
Deferred Income Taxes	1	5	0
Other Liabilities	47	48	49
Total Long-Term Liabilities	**244**	**202**	**182**
Total Liabilities	**785**	**949**	**920**
Total Stockholders' Equity	**366**	**413**	**439**
Total Liabilities & Stockholders' Equity	**$ 1,150**	**$ 1,363**	**$ 1,359**

Source: Associated Wholesale Grocers Annual Reports

Exhibit A - Reported Statements of Cash Flows: Associated Wholesale Grocers, Inc.

In Millions of U.S. Dollars

	12/31/2011	12/29/2012	12/29/2013	12/27/2014
Net Income	$ 170	$ 176	$ 192	$ 227
Depreciation and Amortization	39	38	42	44
Deferred Income Taxes	(2)	(0)	2	(11)
Non-Cash Items	0	0	2	9
Gain on Disposition of Property and Equipment	(2)	(2)	(2)	(1)
Changes in Working Capital	(12)	(2)	9	(61)
Net Cash Provided by (Used in) Operating Activities	**192**	**210**	**245**	**208**
Capital Expenditures	(54)	(104)	(70)	(48)
Other Investing Cash Flow Items, Total	0	(2)	(1)	(2)
Sale of Property, Plant, and Equipment	3	3	29	10
Acquisitions of Assets, Net of Cash Required	(4)	0	(7)	0
Reductions in (Additions to) Restricted Cash	(62)	44	18	0
Net Repayment (Issuance) of Member Loans	1	17	(2)	(6)
Net Cash Provided by (Used in) Investing Activities	**(117)**	**(42)**	**(32)**	**(45)**
Net (Repayment) Issuance of Debt	45	(6)	(47)	(16)
Dividends and Distributions Paid	(87)	(93)	(101)	(105)
Proceeds from Equity Issuance	(1)	(2)	(1)	(2)
Other Financing Activities, Total	(34)	(44)	(48)	(58)
Net Cash Provided by (Used in) Financing Activities	**(77)**	**(145)**	**(196)**	**(181)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(2)**	**23**	**17**	**(18)**

Source: Associated Wholesale Grocers Annual Reports

Exhibit A - Reported Income Statements: Associated Wholesale Grocers, Inc.

In Millions of U.S. Dollars

	12/31/2011	%	12/29/2012	%	12/29/2013	%	12/27/2014	%
Net Sales	$ **7,767**	100.0%	$ **7,852**	100.0%	$ **8,380**	100.0%	$ **8,934**	100.0%
Growth Rate	*n/a*		*1.1%*		*6.7%*		*6.6%*	
Cost of Sales	7,142	92.0%	7,219	91.9%	7,715	92.1%	8,243	92.3%
Gross Profit	625	8.0%	633	8.1%	665	7.9%	691	7.7%
S,G&A Expenses	444	5.7%	457	5.8%	463	5.5%	459	5.1%
Operating Income	**180**	2.3%	**177**	2.2%	**201**	2.4%	**232**	2.6%
Other Income (Expense)	3	0.0%	7	0.1%	1	0.0%	2	0.0%
EBIT	**183**	2.4%	**183**	2.3%	**202**	2.4%	**234**	2.6%
Interest Expense	(7)	-0.1%	(5)	-0.1%	(3)	0.0%	(3)	0.0%
Earnings Before Taxes	**176**	2.3%	**179**	2.3%	**199**	2.4%	**230**	2.6%
Income Taxes	(7)	-0.1%	(3)	0.0%	(6)	-0.1%	(3)	0.0%
Net Income	**170**	2.2%	**176**	2.2%	**192**	2.3%	**227**	2.5%

Source: Associated Wholesale Grocers Annual Reports

Appendix B

Certification

B. CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the businesses that are the subject of this report, and we have no personal interest with respect to the parties involved.
- We have no bias with respect to the businesses that are the subject of this report or the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined opinion that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- In addition to the undersigned, Joseph D. Demetrius and Cara M. Davis assisted in the preparation of this valuation report.

Redacted by U.S. Treasury Department

[redacted]

Appendix C

Assumptions and Limiting Conditions

C. Assumptions and Limiting Conditions

This report is subject to the following assumptions and limiting conditions:

- In performing our analysis, we used various financial and other information provided to us by management or obtained from other private and public sources, and relied on the accuracy and completeness of this information. We have not been engaged to compile, review, or examine such information in accordance with standards established by the American Institute of Certified Public Accountants. Accordingly, we do not express an opinion or any other form of assurance thereon.
- For the purpose of this engagement and report, we have made no investigation of, and assume no responsibility for, the titles to, or liabilities against, the assets or equity of the Employers, including, but not limited to, any contingent or environmental liabilities.
- Our opinion is applicable for the stated date and purpose only, and may not be appropriate for any other date or purpose.
- Our services, this report, and the opinions expressed herein are provided exclusively for the use of the Plan for the purpose stated herein, and are not to be referred to or distributed, in whole or in part, without our prior written consent.
- The opinions expressed herein are not intended to be investment advice and should in no way be construed as such.
- None of our employees who worked on this engagement have any known financial interest in the assets or equity of the Employers or the outcome of this valuation. Further, our compensation is neither based nor contingent on the results of our analysis.
- Stout Risius Ross, Inc. is not required to give testimony in court, or be in attendance during any hearings or depositions, unless previous arrangements have been made. We are committed to supporting the report provided compensation arrangements for such additional services have been made.
- This analysis contemplates facts and conditions that are known or knowable as of the date of this report. Events and conditions occurring after the date of this report have not been considered, and Stout Risius Ross, Inc. has no obligation to update our report for such events and conditions.
- By accepting this report, the client acknowledges the terms and indemnity provisions provided in the executed engagement letter and the assumptions and limiting conditions contained herein.

Appendix D

Statement of Qualifications

D. STATEMENT OF QUALIFICATIONS

Scott D. Levine, CPA / ABV, CFA

Scott D. Levine is a Managing Director in the Valuation & Financial Opinions Group. His concentration is in ESOP and ERISA Advisory Services. Over the last twenty years, he has had extensive experience in the valuation of business interests in both private and public corporations. Mr. Levine has performed valuation analyses in a broad range of industries and for numerous purposes including fairness and solvency opinions, estate and gift taxation, shareholder disputes, purchase price allocation, mergers and acquisitions, marital dissolutions and liability and damages analysis. He has a particular expertise in the valuation of business ownership interests in employee stock ownership plan (ESOP) related analyses, including ESOP security formation, transaction analysis, determination of transaction fairness and adequate consideration and annual employer security valuation updates.

Among the many industries that Mr. Levine has served are biotechnology, computer services, construction, engineering, entertainment, financial services, government contracting, healthcare, manufacturing, medical practices, telecommunications and wholesale distribution.

Mr. Levine has presented on many different topics in the field of business valuation to the following organizations: the American Society of Appraisers; the National Center for Employee Ownership; the ESOP Association; and the Association for Corporate Growth. He has also authored many articles related to the valuation of closely held companies. In addition, Mr. Levine has testified as an expert witness in state courts, arbitration and deposition.

Prior to joining SRR, Mr. Levine was a principal with a national valuation firm specializing in the valuation of closely held companies. During his tenure, he was responsible for business development and management of business valuation assignments as well as hiring and supervising staff. Prior to that, Mr. Levine was a CPA with Price Waterhouse in their audit group and was responsible for conducting audits for both privately held and publicly traded companies.

Mr. Levine is a member of the American Society of Appraisers, the CFA Institute, the American Institute of Certified Public Accountants and the ESOP Association.

D. STATEMENT OF QUALIFICATIONS

Joseph D. Demetrius, CFA

Joseph D. Demetrius is a Vice President in the Valuation & Financial Opinions Group. His concentration is in ESOP and ERISA Advisory Services. He has experience in the valuation of business interests in both private and public corporations for numerous purposes, including providing fairness and solvency opinions in connection with corporate acquisitions and divestitures, financing events, and other corporate transactions. He has extensive experience in the valuation of equity interests in companies owned by Employee Stock Ownership Plans (ESOPs), and has performed analyses related to ESOP security design, determination of ESOP transaction fairness and adequate consideration, and annual ESOP-owned company valuation updates.

Among the many industries that Mr. Demetrius has served are advertising, construction, engineering, financial services, government and defense contracting, healthcare, information technology, paint, oil and gas services, and restaurant, among others. His experience spans a diverse client base, from regional middle-market businesses to large public corporations, private equity funds, law firms, and financial institutions.

Mr. Demetrius graduated from the University of North Carolina at Chapel Hill and has earned the right to use the Chartered Financial Analyst designation.